

MART OTS (ed.)

Media Brands and Branding

Media Management and Transformation Centre



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Strong brands are necessary in media because technology has increased the number of content providers and made it possible for many more competitors to seek the attention and loyalty of audiences and advertisers. Brands are crucial in separating media companies and their products from those of competitors, in creating continuity of quality and service across extended product lines, and in helping develop strong bonds with consumers.

This book discusses communicative tactics and the building of media brand equity, focuses on strategic aspects and brands as vehicles for business expansion, and investigates issues of media brands on advertising markets.

The book contributes to the wider understanding of brand-related issues facing both practitioners and academics. Brand management has become an important managerial task and researchers are challenged to uncover the implications of this for media firms, consumers, and society at large.



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Foreword

The necessity for strong brands has grown concurrently with the number of media types and units vying for the attention and loyalty of audiences/consumers and advertisers. Today companies find brands crucial in separating themselves from the hoard of competitors in every media, in helping maintain continuity of quality and service across extended product lines, and in helping them forge strong bonds with their consumers.

This book on brands and branding of media firms contains chapters based on selected papers from the workshop, “Media Brands: Their Management, Effects, and Social Implications,” sponsored by the Media Management and Transformation Centre of Jönköping International Business School in 20-22 September 2007. The workshop was one of 12 the centre has sponsored in the past 4 years on issues such as corporate governance, leadership, company structures, innovation, and audiences of media.

The Media Management and Transformation Centre is Europe’s leading centre for media business studies and offers doctoral studies and research fellowships, conducts research projects funded by industry associations, governmental organizations and foundations, and hosts conferences and workshops for researchers and media personnel that are designed to improve knowledge and understanding of media business issues.

*Prof. Robert G. Picard, Director
Media Management and Transformation Centre*

Media and Brands: New Ground to Explore

Mart Ots

Media industries have over the past 15 years embraced brand management (McDowell, 2006). In this process, new perspectives have been uncovered as to what media firms are, what they could be, and how they choose to look upon themselves and their business opportunities. Still, brand management as interpreted by the media is far from fully developed, and its practices tend to materialize merely as promotional programs rather than strategic processes (Chan-Olmsted, 2006).

On the academic side, much of the research on brands and brand management in media industries has so far focused on brand extensions. This may be a response to the attention that media practitioners' have paid to opportunities to business expansion in a changing media landscape. Not in any way does it mean that this new field is even close to fully explored. The specific nature, adoption, architecture, tactics, experiences and effects of media firms' uses of brands and brand management remain largely unknown. This book contains a collection of articles aiming to bridge that gap.

The origin of the seven chapters included in this book is a workshop titled "Media Brands: Their Management, Effects, and Social Implications". Whereas previous research on media brands have been scattered and largely left at individual efforts, the initiative to this meeting was taken in order to create a forum for researchers with these interests. The goal was to make an inventory of current streams of research and inspire a discussion about future research across institutions and national boundaries. Presenters from Europe, India, China, and the USA participated at the event, and from a large number of papers a handful was selected and revised for this book based on their relevance and representation of a variety of perspectives on media brands.

Broadly, the included papers can be divided into three categories: 1) those discussing communicative tactics and the building of media brand equity, 2) those focusing on strategic aspects and brands as vehicles for business expansion, and 3) those investigating issues of media brands on advertising markets. The following pages will briefly introduce these areas and describe how they relate to issues important in media management.

Branding and Media

When reading current business-related articles about media industries, we are likely to encounter expressions like *technological convergence* and *audience fragmentation*. For managers of media, these terms mean that competition across media sectors intensifies and audiences adopt new paths of consumption when choice is abundant and access to media is easier at every point in time and space. When the environment is anything but stable, media firms cling on to their most important assets—their users. They want to build strong and long lasting bonds with their audiences—to connect to existing and potential viewers, listeners or readers in ways that are relevant and unique, without being bound to specific channels or formats of delivery. Brand management has emerged as a managerial tool which can assist in building and exploiting these dimensions of uniqueness.

Riezebos (2002) describes the adoption of brand strategies as having two important motives. The first is a competitive motive in which a brand is used to enhance competitive advantage through emphasizing differentiation. A brand helps consumers understand and remember what distinguishes an offering from that of a competitor (see also Ries and Trout, 1997). Secondly, a brand strategy could, and should, add value to the product or service offering. From this perspective customers see more than the functional use of a product, and brands signal benefits on a multitude of dimensions based on the meanings and uses that customers associate with the brand (see also Levitt, 1980).

Brand management as a practice has been accredited some distinct advantages for firms, such as improved customer satisfaction and loyalty. The origins of these effects are easier recognition and lower perceived risk of purchase, less price sensitivity and larger profit margins, less vulnerability to competitive actions, as well as better and more integrated communicative strategies (Keller, 2008). McDowell (2006) claims that not all these benefits apply for media companies since many of them use advertising-based business models. He argues that *price* is not a point of differentiation between media brands since the audiences' only investment is their time and effort. For this reason also *risk* is low, since no money is lost for the viewer who did not like a TV-show. As suggested by Chan-Olmsted (2006), one possible conclusion to draw from this could be that consumers have less incentive to rely only on familiar media brands since sampling of other brands is available at no additional cost and only a click away on the remote control. However, one could also take the opposite position, arguing that in the abundance of choice facing the information-overloaded consumers of today, brand familiarity is vital for selection, especially when product involvement is low. Hence, customers will not be interested in extending the search for options beyond what they already know. Tungate (2004, p. 2) describes himself sitting at the Universal News & Café in New York, which carries more than 7,000 magazine titles, where he, overwhelmed by the variety of choice, settles with the five titles he knows the best—*The Economist*, *GQ*, *National Geographic*, *Wallpaper* and *The*

Face. The time and attention invested is, in other words, as valuable as, and sometimes even more valuable to us than our monetary sacrifice when we search for news and entertainment. Overall, the importance of branding for media companies does not appear to differ too much from other consumer industries, but two features stand out as unique—i) that they through their products own powerful mass-marketing tools which can both build the existing brand and help launch new brands or new products, and ii) that they act on dual markets, in parallel building brands towards consumers but also selling the effects of this brand loyalty to advertisers. These aspects are recurring issues in the chapters of this book. Following is a more detailed discussion of its three sections.

Section 1: Building Brand Equity

“The power of a brand lies in what resides in the minds of the customers” (Keller 2008, p. 48). Brand equity, or the value of the brand, is what the brand means in terms of uniqueness, importance and preference of the customers. This meaning is built through consistent communication at the various contact points where the brand meets its audience (Duncan & Moriarty, 1998). Adopting a branding philosophy from this perspective means moving from product-centric marketing to trying to put consumers’ perceptions in the centre and consciously plan and manage these perceptions by using brands which promise satisfaction of needs along certain levels of quality and value.

Media brands offer value propositions about what their customers can expect in terms of type of content, interactivity, and user experience. While traditional media, such as newspapers, sometimes are accused of being rigid and old fashioned, consumer studies show that many media brands, such as *BBC*, *Discovery*, or *MTV*, come across with associations such as “drive” and “innovation” (Grande, 2006). Likewise, studies of media-consumption experiences demonstrate a wide spectrum of emotions and associations that consumers attach to their household media (Calder & Malthouse, 2005). In other words, the large majority of media have only just begun to explore the ‘real’ meanings that their brands carry, the images they evoke and feelings they engage. Extended knowledge in this area is likely to inspire to business creation also outside media’s traditional boundaries of operation. In this process, academic research on brand equity and brand positioning will gain interest. Many questions remain unsolved, including the differences in consumers’ interpretations and uses of brands across media sectors, or how media industries adopt different strategies to build brand equity depending on situation, media type, and area of business.

Media firms have a unique position in building and expanding their brand equity. The very fact that they own and control communication tools reaching thousands or even millions of consumers every day is a tremendous asset. Some media corporations exploit this resource more systematically than others in order to cross-promote their different brands and connect with audiences at

different points by using their portfolio of channels (Norbäck, 2005). At the same time constructing and managing brand hierarchies become complex issues as media companies often choose to create and promote several brand levels—the corporation as a whole, each TV channel, each featured TV show, and sometimes also blocks of shows (Wolff, 2006). Yet, how media in fact use their resources to build and strengthen their brand image remains largely unexplored.

Section 1 of this book relates to how media brand equity is built and how the communication around the media brand builds the image. In chapter 2 Gabriele Siegert specifically looks at media firms' unique capabilities of building brand equity by leveraging their own products as channels of communication, labeled "self-promotion". By categorizing different types of self-promotional activities and tracking them over time, she finds an increasing use of this form of branding tactic. Compared to externally acquired media, this proves to be more cost-efficient, more convenient by requiring fewer intermediaries handling the promotional materials, and not the least to allow integration of promotion in editorial contexts.

Section 2: Brand Extensions and Portfolios of Brands

As more media companies have moved toward media house strategies, firms are eager to explore the usefulness of their brands as bridges of expansion into new related and unrelated product formats and through new channels of delivery. Brand management has in other words become a tool to manage consumer loyalty across delivery systems in a landscape of converging media technology (McDowell, 2006).

Today, international entertainment formats like *Pop Idol* and *Who wants to become a millionaire* are good examples of phenomena clearly better labeled as *brands* than *products*, as they span across broadcasting and digital platforms, CD-sales and family games. In addition to these media-related brand extensions, Jay Deutsch, CEO of American Idol's merchandise agency, projects to sell 10 million Idol-branded but seemingly unrelated products during 2007 including T-shirts, caps, key rings, ice-cream, back-packs, chairs and CD-cases (Lieberman, 2007).

It has been suggested that media firms essentially can stretch their brands along three dimensions: breadth—across media channels and delivery formats, length—windowing, modifying, and re-issuing content in order to increase lifespan, and depth—creating new revenues by turning content into products and services (Businessline, 2006).

So far, much of the discussion has focused on the breadth dimension. When traditional media, especially TV, are extending their brands to digital media and text message applications, they are often looking to add the interactivity often missing in the original product. Good examples from print media show the synergies that can be gained from combining coverage of sports online, in newspaper supplements and through mobile services under the same brand (Marketing Week, 2007). Suddenly these media companies are facing the

challenge of managing brands which have started to obtain associations quite different from what was originally intended. With more products in their portfolios they struggle to maintain coherent brand images (New Media Age 2005). The search for new ways to increase revenues by capitalizing on brand equity increases the demands for cautious brand management. In media firms, this process can often be traumatic since their greatest fear is loss of integrity, and many media companies, especially news media, rely heavily on the trust of their audiences (Tungate 2004). As an area for future research, little is known how the more stringent implementation of brand platforms and manuals affects the creative work and journalistic output in media firms.

Section 2 explores the use of media brands in creating business expansion through brand extensions in both breadth and depth. In chapter 3, Frank Habann, Heinz-Werner Nienstedt and Julia Reinert investigate the use and success of media brands for business expansion and brand portfolio diversification into both related and unrelated areas. From a study of *Süddeutsche Zeitung*, *BILD Zeitung*, and *Die Zeit*, their findings suggest that the strength of the original brand image and its fit with the extension plays an important role in forming consumer attitudes. A related effort is presented in chapter 4. Here Marianne Horppu, Olli Kuivalainen, Anssi Tarkiainen, Hanna-Kaisa Ellonen and Per-Erik Wolff measure how consumer experiences of websites affect overall brand image. In their study of Finnish magazines going online it is found that these new areas of use of the brand name have an impact on the overall loyalty to the brand. Dan and Mary Alice Shaver look in chapter 5 at the advantages, or perhaps rather lack of advantages, of traditional news media brands taking the step onto the internet and facing competition from pure online brands and content aggregators. Their findings show that traditional news media may have serious difficulties in creating online brand loyalty in the face of convenience factors such as those provided by news aggregators such as *Google* and *Yahoo!*, and the differentiation of information published in non-traditional channels.

Section 3: Dual Market Aspects of Branding

While the consumer side of branding has attracted the majority of the attention both among practitioners and academics, interest is now turning to business-to-business branding (see for instance De Chernatony & McDonald 1998, Kotler & Pfoertsch 2005). From a media standpoint this is particularly interesting since another distinct characteristic of media markets is their division of revenues between both the consumer market and the business-to-business market, selling audiences to advertisers. The brand equity built between a medium and its audiences will effectively have an impact on its perceived usefulness as an advertising medium. When discussing branding it is therefore important to specify how the brand images between these different customer groups interact in the brand management processes of the media firm.

Section 3 explores the impact and media brand building for advertisers and marketing communications practices. In chapter 6, Bobby J. Calder and Edward C. Malthouse draw the link between media brands and experiences of media consumption and explain why the understanding of consumers' media experiences becomes the next important issue for advertisers integrating their communication efforts. In the last chapter Mart Ots and Per-Erik Wolff discuss the relationship between brand equity built on the consumer side of operations and the advertising products offered to advertisers. The question asked is why advertisers should want to be informed about the media brand images of their target audiences. A proposed framework includes a specified set of benefits that advertisers can enjoy from monitoring and selecting advertising media based on brand-equity parameters.

The Road Ahead

As competition on media markets intensifies and audiences fragment, firms will continue to pay increasing attention to their brands. It is our hope that this book will spark an intensified discussion about how this development concerns different stakeholders: media managers, consumers, advertisers, and policy-makers. Though the included chapters contribute to the wider understanding of brand-related issues facing both practitioners and academics, there are many gaps to be filled by future research. These gaps include societal, political, and cultural aspects on pluralism, effects on content and creativity, financial aspects on media brand equity, and effects on consumers' media usage and behavior. On the managerial side, media firms will seek to develop structured approaches to organize brand practices more efficiently. Taken together, brand management is here to stay for a foreseeable future, and researchers face a challenging, yet highly interesting task trying to uncover the implications of this for media firms, consumers, and society at large.

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Section 1

Building Brand Equity

Self Promotion: Pole Position in Media Brand Management

Gabriele Siegert

Branding as a marketing strategy aims to differentiate a company's organization, service or product from that of the competitor (Aaker, 1996; Aaker & Joachimsthaler, 2000; Keller, 2003; 2005; Murphy, 1990; Upshaw, 1995). In addition, brands show a close link to competence, credibility and quality. A brand is a promise of a particular kind of quality which is related to the brand's identity and position. By building brand awareness and brand knowledge, a brand image is created which leads to sympathy for the brand, brand preference and ultimately brand loyalty. Hence, brands contribute to the value of a company. BusinessWeek's and Interbrand's annual ranking, *The Best Global Brands*, clearly shows how valuable brands can be. For example, *Coca-Cola* with a brand value of about US\$67 billion and *Microsoft* with a brand value of about US\$60 billion (both in 2006) are the two most valuable brands since 2002 (http://www.interbrand.com/press_releases.asp, July 13, 2007). However, there are only three media brands in this annual ranking: *Disney*, *MTV* and *Reuters*, Disney being the only one to hold a position among the top ten. Besides classic media brands, typical Internet brands such as *Google*, *eBay*, *Yahoo!* and *Amazon.com* are also listed in this ranking. Nevertheless, one should not be deceived by these figures about the value of media brands. Depending on their cultural impact, media is either a local, regional, or national business. Only a few media serve an international or global market and are therefore able to position themselves as global brands.

It is not so much the possibility of going international, but rather the link to competence, credibility and quality production that makes branding an appropriate and promising strategy for media companies. Since an important goal of branding continues to be differentiation, branding is a very common strategy in the media industry (Albarran, 2004, p. 300; Jacobs & Klein, 2002; McDowell, 2005). As media content like magazines or TV-formats are immaterial goods they can be copied easily and at low costs. As a result multiple forms of non-excludability of unauthorized usage can occur, such as copyright infringement and piracy of media content (Picard, 2004). Therefore, it is essential for media firms to differentiate their company's organization, service or product from that of the competitors—to make it unique. By building brand loyalty or brand relationships, brands additionally support multiple media

marketing strategies, for example, cross media, versioning or merchandising, and contribute to their success (Siegert, 2001; 2005; Wolff, 2006).

Furthermore, brands and reputation play an important role in a media company's relations to other media market players. These relationships are characterized through asymmetric information, opportunistic behavior and a loss of control over the agent's actions (Lobigs, 2004; Siegert, 2006a, 2006b). Although the information inequality is not of the same extent with all types of media content - we have to make a difference between entertainment and information - the conclusion is nevertheless constitutive. Media content in general is an immaterial good, which can not be valued correctly referring to its individual and societal functions, to its price and to its quality. This applies to journalistic information in particular. Regarding journalistic information, media users can neither measure the journalistic agenda setting, i.e. the selection of the topics for reporting, nor the journalistic framing, i.e. the context the reporting topics are put in. They can neither prove the actual correctness nor the explicit assessments of the reporting, which would allow classification and evaluation (Kohring, 2002). Media content is therefore a good whose quality and utility can only partly be measured after consumption and partly not at all; it is a so-called experience or credence good (Heinrich, 1994, pp. 101-103, 1999, pp. 39-40; Kiefer, 2001, pp. 139-141). These special circumstances may lead to adverse selection, moral hazard or ultimately to problems of market failure.

Brands and reputation however can be viewed as institutional arrangements which help to ease market problems to a certain degree. Brands give information about the quality of the experience and credence good media content (Siegert, 2001, pp. 224-236). Brands primarily help consumers to deal with the countless number of titles and programs that are on offer by the media. It can almost be taken for granted that not a great deal of effort is made to screen media markets to get to know more about the different media products and services. Instead we can only assume that the costs of gathering information are kept low, that simple selection heuristics are preferred and short cuts are taken or market signals are used. Media brands are such market signals. They convey the quality and credibility of media products and inform consumers about what to expect from a program, title or product on offer.

Theory: The Role of Communication in Brand Management

In the media industry, just as in other industries, the goals of branding are brand effects, brand differentiation and brand value. In order to accomplish these goals, a company's activities have to ensure that brand identity and brand image are interconnected as well as possible. According to Aaker (1996, p. 71 and 176), a brand's identity is what the brand stands for and how strategists want the brand to be perceived, while its image is how it is actually perceived. Brand positioning is the part of brand identity and value proposition that

demonstrates the advantage over competitive brands and is actively communicated to the target audience. Successful brand positioning including segmentation and targeting can complete the rest of the marketing planning which includes the four Ps of the so-called marketing-mix, product, place, price and promotion.

In this context, promotion or, on a broader scale, brand communication, is of extreme importance for every brand. Without communication, a company cannot create points-of-parity and points-of-difference - the brand does not exist in the minds of the consumer. The goal of creating a customer-directed value proposition can never be reached. We argue that a customer-directed value proposition includes a unique selling proposition. There is no real difference between the unique selling proposition and the unique communication or advertising proposition since all qualities which go beyond the personal experience can only be learned via communication, be they imaginary or real qualities (Fritz, 1994, p. 32). Therefore, if an objective distinction cannot be made for a product or service, a unique communication proposition can be used to differentiate a product or service from that of the competitor. As communication is becoming increasingly competitive, integrated brand communication can be particularly helpful in positioning a brand as independent. In fact, we find correlating interest for the development of integrated marketing communication programs (among others Duncan & Moriarty, 1997).

Concerning brand equity, the usual marketing communication mix consists of six major modes of communication (Kotler & Keller, 2006, p. 536): Advertising, sales promotion, events and experiences, public relations and publicity, direct marketing and personal selling.¹ All six modes include various instruments. While the different instruments of advertising refer to the media as advertising vehicles, sponsoring activities, festivals and entertainment are assigned to the type of event and experience. All instruments of the brand communication mix are aimed at changing what is known about the brand and/or at changing or stabilizing the emotional relation to it. Within the communication mix, the importance of single instruments can decrease or increase. Although advertising is not the only element in the brand communication mix, it is still very important if not the key factor of brand communication. For a long period of time, advertising has written the story of a brand. The upswing of brands and media as advertising vehicles has been closely interconnected, their development inconceivable without each other, and they have promoted each other (Aaker & Biel, 1993, p. 143). Due to the close interconnection between brands and advertising, changes in the advertising system have always been relevant to brands.

¹ It shall not be discussed here whether PR is an instrument of the marketing communication mix or an independent part of the management of companies. There is in fact evidence that PR has to be considered as an independent part of marketing.

With the growing ad-avoidance, the importance of traditional advertising and the media as advertising vehicles in brand communication management is shrinking. Brand communication tends towards public relations through instruments such as events and towards hybrid advertising formats like placements. However, the media are still indispensable for building brand awareness and brand knowledge.

Theory: Media Brands and Brand Communication

Brand communication in the media industry seems to be a bit more complicated than in other industries and it is characterized by various features. Firstly, media brand communication must address at least two markets, the audience market and the advertising market, and must nevertheless send a credible and consistent brand message to both. Secondly, differentiation via media brand communication may have a greater chance of influencing the perception of consumers than the communication of other brands since there is usually not only one single valid way of interpreting the media content. On the contrary, there are many interpretations and these can be influenced by special target group oriented brand messages. For example, trailers and media coverage are used to develop specific expectations before a special media content (soap, magazine, TV-format, etc.) is published. These brand messages set up the framework for how the content will be perceived. Thirdly, in media brand communication, media firms use their area of competence, creating contacts to the audience to gain attention, in order to promote their own products, services and interests. In doing so, they are in many cases advertisers, advertising object and advertising vehicle all in one. Furthermore, media firms are able to integrate the brand message into the editorial content quite easily. However, self-reference is always implemented.

The classic instruments of brand communication must therefore be adapted by media firms to serve their specific needs and potentials. The degree of self-reference of the individual instruments then serves as differentiating criterion (Pühringer & Siegert, 2007; Siegert & Pühringer, 2001, p. 255). Self-reference refers to two defining factors: *visibility of the advertising intention* and *selected advertising vehicle*. The degree of self-reference varies from low to high self-reference. We find low self-reference in the use of, for example, billboards for outdoor advertising and the advertising of, for example, newspapers and magazines with television as the ad vehicle. Many media PR formats and advertising messages integrated within the editorial content are typical examples of formats with high self-reference. Consequently, the media brand communication mix includes the following modes of communication, although

they sometimes overlap and are not always clearly defined²: traditional media advertising (above-the-line-advertising), cross-promotion, self-promotion, media PR, editorial references (editorial mention or free puff).³

Media Advertising (Above-the-Line-Advertising)

Media advertising is advertising which requires the use of other media (not the programs or titles of the media firm itself) as ad vehicles to promote the company's different brands. Therefore, the selection of the media to be used is influenced in a special way. Firstly, the decision to take advantage of another media type as an advertising vehicle promotes the suitability of this other media type as an advertising vehicle. Nevertheless, media brands have to advertise in media of another media type because they appeal to different or larger target groups. Secondly, other advertising media also have to be assessed at the degree to which they are in competition with the media brand since no one wants to support his toughest competitor. Cross promotion is obviously a preferred alternative here, particularly since some media brands do not accept competitors' ads. It is therefore not surprising that media brands prefer to return to outdoor advertising in the form of posters or city light posters. In addition, TV brands frequently book their ad campaigns in program guides. Some magazines also use commercials with a high affinity (among others Heinrich, 1999, p. 421 and 516; Schuster, 1995, p. 255)

In the meantime, media organizations are investing a lot of money in ad campaigns. Analyses of advertising investments of different industries have proven this true. Although surveys of advertising expenditures in different industries are incomplete, the media monitoring of A.C. Nielsen allows for conclusions to be drawn on the advertising investments of individual industries. According to the ZAW—Zentralverband der deutschen Werbewirtschaft in Germany, the mass media (excluding the telecommunications industry) is the second biggest industry with regard to its advertising expenditure since 1994. In the first half of 2007, newspapers, magazines, radio and television stations spent about 1.395 billion euros on advertising, that is, about 13.8% of the whole advertising expenditure during that time. This amount, however, represents only the paid part of the advertising activities of the media. It remains unclear as to what extent self-promotion is included in this sum. It must be assumed that self-promotion is not included in these details since the amount of investments could not logically be attributed to the great number of trailers, teasers and image spots.

² However, the modes of communication and the instruments outlined as follows cannot always be distinguished selectively: For examples, see Heinrich (1999, pp. 422-423) or Sturm & Zirbik (1996, pp. 241-243).

³ Media PR uses different vehicles or tries to influence the media coverage of other media. When using companies own medium, we could not clearly distinguish between media PR and editorial references. Therefore, media PR shall not be outlined here any further.

Cross-Promotion

Cross-promotion has a special position in the context of media advertising due to the fact that the advertised media brand and the advertising vehicle used belong to the same media company or are interconnected by cross-ownership. The advertising vehicles used can therefore only conditionally be described as external media. Besides the mutual inter-company support, it is primarily the specific cost reduction by coordinated conditions, often in the form of bartering, which motivates cross-promotion. In this context, cross-promotion of program guides for TV stations takes on a special meaning (Gangloff, 1991; Holtmann, 1994), because positive effects would directly increase audience size. However, it has not yet been possible to prove this adequately.

It shall only be briefly mentioned that the single marketing platforms and marketing windows also advertise for each other mutually in an implicit way. As a result, another level of cross promotion can be found between the media type specific variations of a media brand, that is, between parent brand and transfer brands. Consequently, the print issue and the corresponding TV format advertise each other at least in an implicit way. The opportunity is usually taken, however, for very explicit ad references. In some cases, the issues integrate the content of each other so highly that we can then refer to them as cross-content or cross-media. This is primarily the case with traditional media products and their online counterparts.

Self-Promotion

Self-promotion refers to the concept of a company advertising itself, that is, its brand(s), programs, titles or products within its own programs or titles. A single medium or a part of one is advertiser, advertising vehicle and advertising object all in one (among others Karstens & Schütte, 1999, p. 109; 2005). Self-promotion can be classified into various types: a more informative type and a more persuasive type. It is obvious that station promos and ads have a strong persuasive character, but the definition is quite unclear within various trailer and teaser formats which are quite similar to newspaper editorials. Their function is to give information and direction, but they are at the same time rather persuasive. According to Siegert & Pühringer (2001, pp. 261-262), two additional forms, especially for TV brands, can be defined: self-promotion with or without program reference.

Forms with program reference include:

- Teaser: before and after commercial breaks; reference to up-coming programs, more commercials, or other forms of intermission
- Teaser in split-screen: e.g. during end credits on divided screen; visual and/or verbal reference (voice over) to the next, daily or other programs
- Episode or serial trailer: reference to the next serial or newscast
- Traditional program announcement (separate from the program)

- Trailer: has replaced traditional program announcement; announcing daily or weekly program
- Horizontal trailer: weekly or monthly topic information (no particular program)

Forms without direct program reference include:

- Passage: separates program from commercial breaks before and after breaks
- Station promos: image advertising to build awareness and create identity and relationship
- Merchandising spots: advertising for articles or services of the station broadcasted
- Event advertising for organized or co-organized events of various kinds (e.g. cultural, sporting events)
- Consumer invitation: invitation for consumer participation such as "give us a call" or "visit our website".

Editorial References

Editorial references (editorial mention or free puff) are described primarily as those notes which refer to a media organization and its brands in their own program or editorial content. To what extent references are used only for information or entertainment purposes or to what extent they should persuade people to continue watching, listening or reading or to buy something from the range of brands can only be analyzed on an individual basis. But within the framework of a commercialized media system, media firms can be expected to use all possible means to address their commercial advertising interests. The extent of the advertising orientation can not obviously be concluded through editorial references. While the information purpose of the table of contents is obvious, magazine editorials are clearly aimed at inviting readers to continue reading the magazine. A study of Hohlfeld and Gehrke (1995, p. 233) gives good insight into the amount of self-referential content. After examining a representative German TV program during one week (6-12.4.1992), the conclusion was drawn that about 22% of all content was somewhat self-referential.

There are various forms of editorial references and they are found in the form of the smallest of notes throughout the program. A special form of editorial reference is news selection:⁴ Information about the media organization or its programs is primarily included in the news if the information allows for

⁴ Generally, media coverage concerning media issues and media criticism have to be viewed as editorial references as well. However, neither is persuasive and both are part of general media coverage.

positive conclusions to be drawn, for example, the publication of the latest audience research data showing increasing numbers of readers. References to single media as sources for other media can have enormous positive effects as well. According to Herbert Lackner (1999), editor-in-chief of the Austrian news magazine *Profile*, this form of editorial reference has the potential to change the way journalism operates. It was noticed in editorial offices of news magazines that the mentioning of one's own brand as a source in other media represents one of the most effective advertising forms. Therefore, news magazines have begun interviewing far more politicians than before because there is then an increase in the probability that the respective news magazine is quoted by other media as a source.

Concerning entertainment content, editorial references are firstly found in the form of appearances made by prominent media representatives on talk shows. The invited guests have the time and scope to introduce and advertise their new series, book, CD, film, etc. Secondly, TV formats refer to already existing formats by imitating their presentation style or studio décor (e.g. The Larry King Show). Thirdly, the subject matter of series brands, presenters, formats, etc. is used as a basis for TV parodies. Editorial references are most closely connected to self-promotion in the form of visual and verbal moderation notes.

Findings: The Different Forms of Self-Promotion in 1999/2000 and in 2005

The findings are based on two content analyses (for details see Pühringer & Siegert, 2007; Siegert & Pühringer, 2001; Siegert et al., 2007): For the first study in 1999/2000, we examined approximately 240 hours of TV programs of the following broadcast stations: ORF 1 and ORF 2 (Austria, public service broadcaster), ARD (Germany, public service broadcaster), RTL, and ProSieben (Germany, both commercial broadcasters). For the second study, we analyzed the programs of eight TV stations in Switzerland for more than 250 hours: SF 1 and SF 2 (German speaking program of the public service broadcaster), TSR 1 (French speaking program of the public service broadcaster), TSI 1 (Italian speaking program of the public service broadcaster), Tele Züri (German speaking program, commercial broadcaster), Leman Bleu (French speaking program, commercial broadcaster), Tele Ticino (Italian speaking program, commercial broadcaster) and SAT.1 Switzerland (German speaking program, commercial broadcaster originally from Germany with Swiss license). Although we analyzed different broadcasters the stations are comparable in their public service or commercial orientation as well as in their brand strategies.

In the first study of 1999/2000, we found 1365 units of content of a self-referential character outside the actual program which means in most cases that the media brand is mentioned more or less explicitly (figure 1).

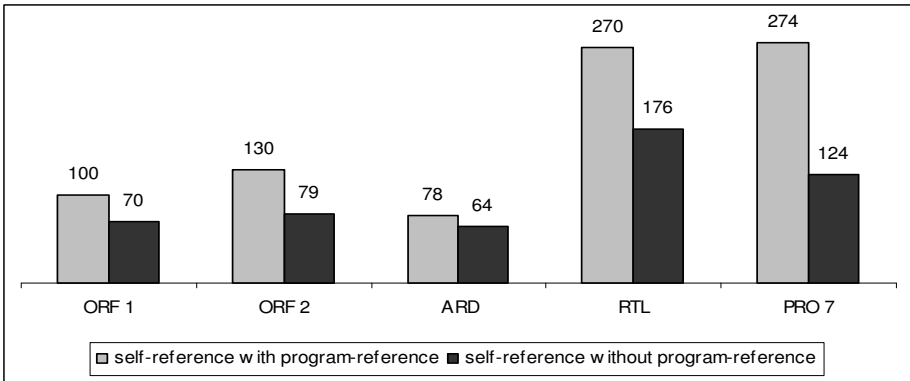


Figure 1: Frequency of self-referential units of content with and without program reference in 1999 (n = 1365)

In the study of 2005, we found 2713 units of content of a more or less self-referential character outside the actual program (figure 2).

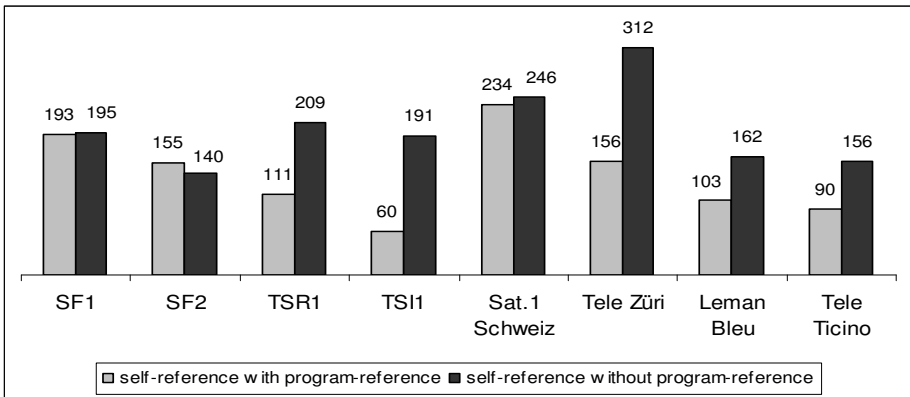


Figure 2: Frequency of self-referential units of content with and without program reference in 2005 (n = 2713)

Figure 2 shows the frequency of self-referential units in the 2005 study.⁵ With the exception of SF 2, the figure shows that there has been a reversal of the trend documented in the first study: seven out of eight stations show a higher frequency of self-referential units of content without program reference, with the commercial local TV station in the Zurich region, Tele Züri, reaching

⁵ In 2005 we additionally analyzed 1039 self-referential units of content within television programs (advertising within the programs). For comparison sake, the figures do not include these data.

a peak of 312, and a lower frequency of self-referential units of content with program reference. This can be interpreted as a trend towards more self-referential units of content with an explicit advertising manner.

In 1999, we also found from two to three times as many self-referential breaks and intermissions in commercial programs than in programs of public service broadcasters (ORF 1, ORF 2, ARD). However, each analyzed TV station offered more and more program-referential forms. This can be attributed back to the stations' efforts to build brand knowledge and create brand relationships. Further differentiation is seen in the number of trailers and teasers, trailers and teasers in split-screen, openers (formerly program announcements), passages, image and media spots (station promo), merchandising spots, and consumer invitations (figure 3).

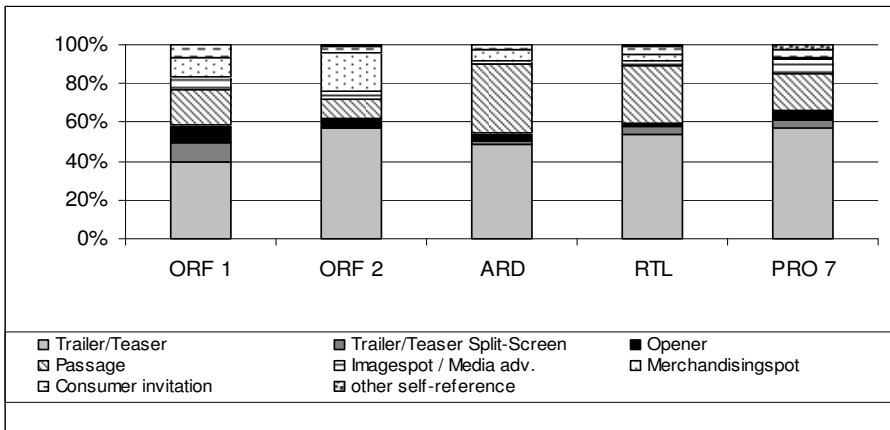


Figure 3: Dimensions and frequencies of self-promotion forms in 1999 (n = 1365)

As presented in figure 3, the most commonly used types of self-promotion for each station in 1999 were trailers and teasers, followed by passages. The number of almost every single form was higher for commercial television stations; for example, RTL broadcast nearly four times as many teasers and trailers than ORF 1 (240 to 67), and six times as many passages than ORF 2 (132 to 21). Figure 4 shows that the most frequently used types of self-promotion have remained the same over time and without taking into account the different broadcasters and their brand strategies (but the stations are comparable in their public service or commercial orientation): passages, trailers and teasers.

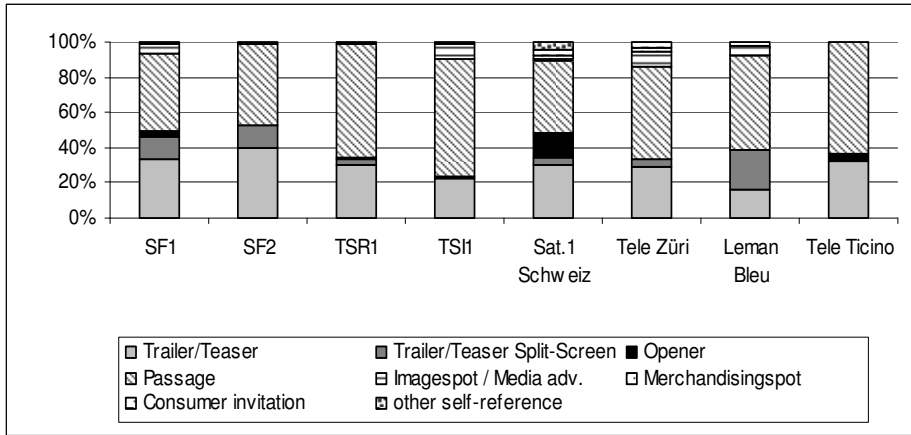


Figure 4: Dimensions and frequencies of self-promotion forms in 2005 (n = 2713)

Although in 1999/2000, trailers and teasers were the most commonly used self-promotion forms, passages were the preferred self-promotion form in 2005 (see figure 5).

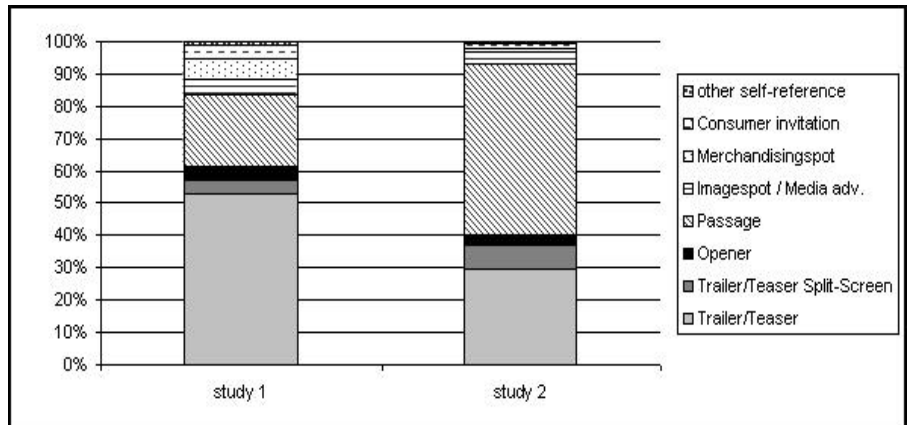


Figure 5: Comparison of self-promotion forms in study 1 from 1999 (n = 1365) and in study 2 from 2005 (n = 2713)

In addition, we can conclude that there was an overall increase of self-promotion. In 1999/2000, an average of 5.7 units of content was identified in the analyzed 240 hours of broadcasting; in 2005, the weighted average rose to 10.3.

Opportunities and Risks in Media Brand Communication

As mentioned before, media companies use their own competence for their media brand communication and their respective advertising interests: The ability to win individuals over to view, listen to and read by offering them content which is interesting and target group specific—that is, to make them an audience. To label viewers, listeners and readers as audience and target groups. To build up close relationships to the audience and win loyalty to their own programs and titles. To provide these single or multiple contacts to the specifically described audience for advertising purposes (exposures).

The different modes of communication and the different instruments serve different brand management needs and have different opportunities and risks. On the one hand newspapers, magazines, radio and television stations are in favour of specific modes of communication and instruments. While radio and television companies improve self-promotion, in particular, through passages, trailers and teasers, print brands primarily refine media PR and editorial references. On the other hand, the modes of communication and the instruments used change depending on the development stage of the brand.

In the first stage of media branding, external media needs to be used to build brand awareness and knowledge. Therefore, media advertising is preferably used for the introduction of new media brands - new programs, new titles or new series. As the media selection for this purpose should not promote competitive media types, cross-promotion represents a good alternative and in addition allows media firms to reduce costs as a result of bartering possibilities. As Kopper (1993, p. 229) already stated in the 1990s, the advertising of local radios in the implementation stage shows a close cooperation between the radio station and the newspaper enterprises of the same media company. Outdoor advertising is the second alternative in the area of above-the-line-advertising because the competition between traditional mass media and outdoor media is not so strong and the target groups reached usually differ. In the meantime, the continual advertising of TV programs in printed or online program guides, for example, the advertising of sports or entertainment highlights, has also become a part of the standard repertoire of the communication activities of nearly every TV brand. In the second stage, media firms tend to use self-promotion or editorial references more often. Spending is quickly reduced as a result since the company's own media can be used as the advertising vehicle. The various forms such as teasers, trailers, passages, image spots and editorial references enable media firms to advertise continually throughout the program or content using advertising forms which are not always recognizable as such.

Furthermore, media brand communication addresses two different markets and target groups. On the one hand, media advertising is aimed at the audience but on the other, it is also directed at the advertising customers. Both should be addressed with at least non-contradictory brand messages. The latter should be primarily reached with displays and special campaigns in trade magazines and professional journals. However, not only the advertising media changes in

media advertising of media firms but also the subjects of the campaigns do as they must suit the target group being addressed. The advertising for the advertising market is therefore based on the paid circulation, the attractiveness and size of the audience reached as well as the reasonably priced advertisement or commercial combinations. Details regarding who and how many people are reached through an advertising medium can also strengthen media brands. However, general publicity refers much more strongly to the unusual features of the contents, for example, to the highlights of an upcoming program, to the sensational results of an enquiry or to the journalistic competence of the brand.

Conclusions

Of all the modes of media brand communication, self-promotion is the most promising one. In self-promotion, the advertisers, advertising objects and advertising vehicles are one and the same and, in addition, the brand message can be integrated into the editorial content. All possible advantages of self-promotion are affected. Self-promotion, on the one hand, corresponds to the cost optimization strategies of the media and, on the other hand, refers to the common trend of integrating advertising messages into journalistic or entertainment content. Firstly, self-promotion reduces the advertising expenses because commercial time, or advertising space, can be used at no additional cost or at a very low price or through bartering. Secondly, due to the low advertising costs, the message can be repeated continually throughout programs to ensure that a sufficient impact is made. Thirdly, the advertising message does not need to be transported via advert or commercial, but can also be easily and cost-efficiently integrated into the programs or content. Since media organizations are responsible for production and programming, they are able to carry out this integration from a very early stage on by including self-references wherever possible. Implementing self-promotion in the competition of media brands is therefore very much like starting a Formula 1 race from the pole position.

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Section 2

Brand Extensions and Portfolios of Brands

Success Factors in Brand Extension in the Newspaper Industry: An Empirical Analysis

Frank Habann, Heinz-Werner Nienstedt, and Julia Reinelt

In the beginning of this century newspapers underwent a deep cyclical advertising crisis. In addition, the long term trend of decreasing circulation and the accelerating challenge from the internet indicate a structural crisis. In this situation, newspaper publishers look for new sources of revenue and profits besides their search for strategies in the digital world. Starting in the late 1990s Italian and Spanish publishers systematically developed a system of selling add on products like series of books and DVDs under the newspaper's brand in high volumes at low prices in addition to the newspaper. These were sold via the traditional newspaper distribution channels which before did not serve such products.

Yet, the question whether add-on business is a recent invention may clearly be negated. Special trips for readers, cut-rate special editions of books, calendars etc. have already been introduced in the past within the framework of reader marketing (Stürzebecher et al. 1997; Schönbach 1997). But Spanish and Italian publishers developed this business to a new dimension. For example, add-on editions to newspapers and magazines have increased the total number of sold of books in Italy by more than one half. Starting from this and other experiences German, Polish and other nations' publishers have also begun to systematically develop an add-on business on the basis of their print brands.

Thus not the idea, but the strategic orientation is new. In the course of the advertisement crisis and the decline in advertising sales these instruments which served as means of reader retention before have been rediscovered and repositioned. The current add-on products are not only designed to strengthen the reader-newspaper loyalty, but furthermore are deemed to present an independent source of revenues and profits.

Part of the business is the clear branding of add-on products with the name of the mother product. The idea to consider and manage media as brands moved into many publishing houses in the 1990s and became a subject of media economic literature at the end of the 1990s (Siegert 2001, p. 10 and the literature quoted there). Concepts of "brand extension" or "brand expansion" also play an important role with regard to the development of the add-on business.

However, an empirical exploration of the success factors behind this business is lacking nearly completely.¹ Specialists and business experts merely make statements such as “The products have to be linked intelligently to the own brand, otherwise they fail” (Loppow, head of the travel department of *Zeit*, quoted after Weiland 2005, p. 50) or “It is the good idea that counts. Inflating average ideas with a proper portion of marketing does not help” (Jäckel, publishing director of the *Brigitte publishing group*, quoted after Weiland, 2005, p. 50). Thus the publishing houses often only rely on their ‘gut feeling’.

In the consumer goods industry, on the other hand, the question of brand extension and its influencing factors has attracted high attention already since the end of the 1980s, so that a multitude of empirical findings is available (Völckner, 2003, pp. 24). These results are included in the framework of the present paper and set in a media specific context, the national press, aiming at further closing the research gap in the media sector.

Brand Extension as an Option for Newspaper Brand Strategies

In general brand extensions refer to all enlargements of the product portfolio by adding new services while maintaining a constantly steady number of brands (Baumgarth, 2004; Caspar, 2002). It is the aim of such a brand extension to assign positive image elements of the mother brand to the new product to facilitate its market launch (Caspar, 2002).

One question related to the core product should precede this: How intensively and with which breadth of association is the core product actually perceived as a brand?² With regard to media products, this question has still remained widely unanswered by literature, but is probably highly relevant for the success of a brand extension. To obtain empirical findings for this, the two brand-related variables “strength of the mother brand” and “image structure” are incorporated as potential success factors in the present survey.

The strategy of brand extension may be specified by accounting for the product category of the newly launched product. In the media sector, there are degrees of freedom for the formation of criteria to differentiate between individual product categories (Baumgarth 2004, p. 142).² In the paper

¹ A first attempt to clear this uncertainty by empirical verification is made by Caspar (2002). However, his survey keeps to the media sector and leaves out non-media products (Caspar 2002). Hörning (2004), on the other side, designed a “Quick Check for the feasibility of brand expansions” also taking into account non-media products. However this decision tree is not based on results from an empirical survey (Hörning, 2004, p. 198).

² In this regard, Wirtz (2005) differentiates by naming missing periodicity and long hold-back times for products as distinctive features. Against the background that add-on products of newspapers among other things also include collecting series, this differentiation does, in the present case, not seem to be sufficiently definite (Wirtz, 2005). Siegert (2001), on the other hand, brings in the missing journalistic component as distinctive feature. This journalistic component is normally not to be found with regard to books, films, CDs and computer games; therefore it is possible to speak about a new product category in this case (Siegert 2001, p. 19).

presented here, the first step will be to differentiate through the criterion of the dual market. It will be distinguished whether a media category offers information and entertainment services as well as advertisement services or whether it generates its revenues exclusively on the recipient market (Wirtz, 2005).

Media categories being concurrent in this regard belong to one product line.³ Extensions within these media categories may be referred to as *cross-media product line extensions*. Extensions including books, CDs, DVDs etc., on the other side, are referred to as *cross-media brand extensions*. *Non-media brand extensions*, in turn, refer to the expansion of a media brand by non-media products such as coffee, lingerie, bikes etc.

This paper examines the strategies of cross-media brand extensions and of non-media brand extensions as well as the success factors behind them. These strategies expand the core business of a media publishing house, including both new business potentials and challenges and making a study of the respective factors of success factors expedient.

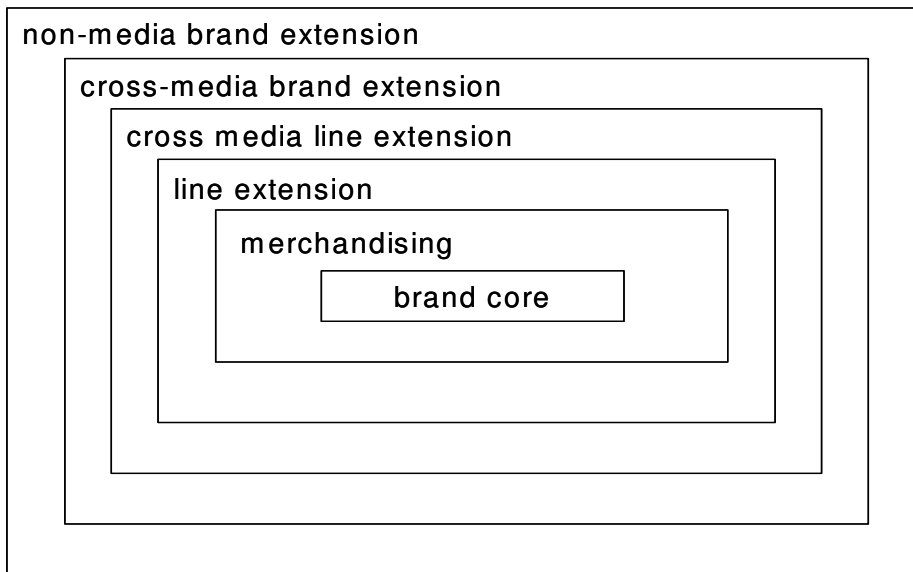


Figure 1: Differentiation of brand extension strategies in the newspaper sector

³ As newspapers generate their revenues both on the recipient and the advertising market, media such as magazines, TV etc using the newspapers's brand, being combination products as well, belong to this product line.

Study Design

As mentioned above, the subject of success factors for brand extensions in the consumer goods industry is an already well-developed field of research; therefore the respective studies could be analyzed for the study presented here. The established framework offers a first overview of the existing research results as well as of the underlying hypotheses and serves as a source for the potential success factors. Still, its influence on the national newspaper market has to be examined (Sattler, 1997; Völckner, 2003).

For research economic reasons, it is, however, not possible to include all influencing factors identified by previous research in the conceptualization of the research model. Hence a relevant selection—also against the background of the media specific context—has to be made. Therefore only the following seven success factors will be integrated into the model: Besides the strength and the knowledge of the mother brand, the influence of the image structure is interesting. Especially with regard to media brands the brand schema is presumably predominantly shaped by the product. One question is: would the fact that associations regarding a brand image include associations going far beyond the core product contribute to the success of a new product or does an extrinsically formed image structure not play any role at all? On the part of the add-on product, not only the evaluation of the price,⁴ but also the degree of involvement when buying a product from the respective product category shall be taken into account. With regard to the connection between the mother brand and the add-on product, the study presented here will distinguish between a similarity on the abstract product category level (e.g. newspaper and lingerie) and the concrete brand image level (e.g. *BILD*, the tabloid newspaper, and *BILD Lingerie*). This distinction is made with the help of the questionnaire design. The generation of the respective hypotheses is based on the detailed analysis of existing research results. The core sources for the generated hypotheses are shown in table 1.

Besides a global examination of the hypotheses system, the paper presented here will also take into account the influence of the moderating variables⁵ reading frequency and product category membership (see chapter 3.2).

The operationalization of the potential success factors follows Caspar (2000) who already took into account the media specific context, as well as Völckner (2003), and is described in Appendix 1. The success of the brand extension as a dependent variable is measured by a non-economic parameter.

⁴ In earlier studies in the consumer good industry the price could not be identified as a significant influencing factor; so far, however, the low price is a considerable feature of the add-on products offered and shall therefore not be ignored.

⁵ Moderating variables (also called mediator variables) are qualitative (e.g. gender) or quantitative (e.g. age) parameters which change the direction and/or strength of the relationship between two variables (Baron/Kenny 1986, p. 1174). Q. v. Huber et al. 2006, p. 697.

Table 1: Central literature basis of the hypotheses generation:

	Hypotheses	Core sources
H1	The higher the strength of the mother brand is, the more positive is the attitude towards the add-on product.	Caspar 2002 Völckner 2003
H2	The stronger the mother brand image is formed by extrinsic associations, the more positive is the attitude towards the add-on product.	Hätty 1989 Farquhar et al. 1992
H3	The bigger the knowledge of the mother brand is, the more positive is the attitude towards the add-on product.	Swaminathan, Fox, & Reddy 2001 Völckner 2003
H4	The higher the product involvement is, the more negative is the attitude towards the add-on product.	Kroeber-Riel & Weinberg 1999 Krugman 1965
H5	The cheaper the price is evaluated in comparison to other products of the same product category, the more positive is the attitude towards the add-on product.	Grey 1996 Esser 2003
H6	The higher the perceived product fit is, the more positive is the attitude towards the add-on product.	Bhat & Reddy 2001 Dawar 1996
H7	The more consistent to the image of the mother brand a brand extension is perceived, the more positive is the attitude towards a brand extension.	Park, Milberg, & Lawson 1991
H8	The stronger the image structure of a brand is formed by extrinsic associations, the higher is the perceived brand image fit.	Bridges et al. 2000
H9	The more positive the attitude towards the add-on product is, the higher is the future purchase intention.	Ajzen 1993

Although previous studies above all utilize the subjective quality evaluation as indicator, the general attitude towards the add-on product is utilized here due to the problematic quality evaluation of media products especially before they are consumed (Ruß-Mohl, 1992). As the quality evaluation, however, in principle only expresses the consumer's attitude towards a product, this restriction is acceptable (Völckner, 2003). As an additional parameter of success, the future purchase intention is then added to the attitude towards the add-on product. It also includes an assessment of the purchase situation and is

therefore closer to the actual behavior (Kroeber-Riel, 2003). The hypotheses system derived from the assumed direction of effects of the potential success factors is visualized within the framework of the subsequent structural model (figure 2). It is also indicated in fig 2, if the constructs are measured with a reflective or formative approach. Reflective means that the indicators *reflect* the construct (arrow from construct to indicator in a graphical illustration), and therefore have to correlate with each other. Formative means that the indicators *cause* the construct and do not necessarily have to be correlated (arrow from indicators to construct). However, in this case, the meaning of the construct changes when indicators are omitted, which should therefore happen with great caution.

To increase the external validity of the study, both actual mother brands and actual add-on products were included. When selecting the mother brands, it was aimed, on the one hand, at choosing a reasonably good cross-section of the national newspaper industry, and, on the other hand, at observing research economic aspects and at avoiding a possible overtaxing of the test persons. Furthermore, a reasonably high variance with regard to the potential success factors and the success of the extension shall be produced. Against this background, the following four newspapers with two add-on products each were chosen: *Süddeutsche Zeitung* including the add-on products SZ Library (books) and SZ Cinematheque (DVDs), *BILD Zeitung* including the add-on products BILD Comic Library and BILD Lingerie, *Die Zeit* including the Zeit Clocks and Watches and Zeit Travel, and finally *taz* including the add-on products tazBike and tazpresso (Coffee).

In order to examine to what extent the model has the ability to represent reality, this study uses the variance-based structural equation method of PLS (Partial Least Squares). With the help of this method, causal effect relations both between individual constructs and between the constructs and their indicators may be presented as causal relations in a joint system of structural and measuring equations. These causal relations are visualized with the help of a path or structural equation model (Betzin & Henseler, 2005). Compared with covariance-based approaches, the variance-based estimation algorithm of the PLS method shows several advantages, thus appearing to be especially suitable for the study design and the aims of this examination. Variance-based methods generate an estimation for the overall model from different regression analytical components, aiming at minimizing the variance of error terms with the help of “least-squares estimations” (Hermann et al. 2004, p. 5). In this case, covariances are only used block by block and determine the correlations within the structural model only on the basis of the construct values calculated by the weights. This approach leads to less exact estimation values, but as the best possible reproduction of the actual data structure is in the center of attention, it has a better predictive quality (Huber et al., 2005). Therefore a variance-based

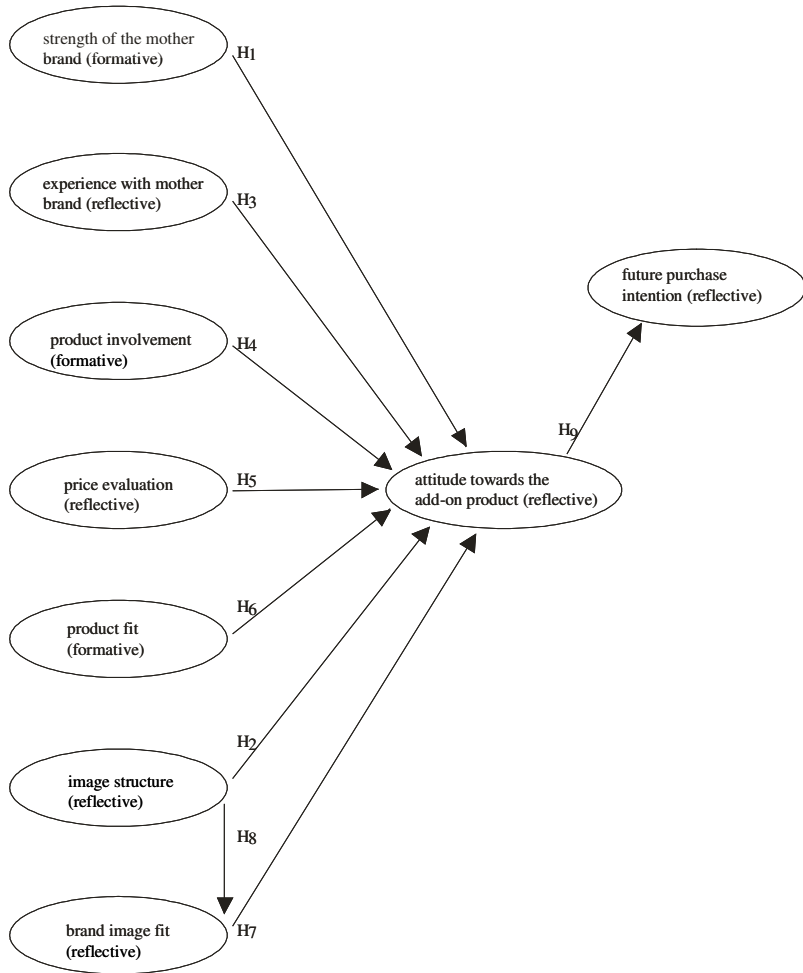


Figure 2: Structural Model with Hypotheses 1-9

method is recommendable for a rather practice-oriented study as the one presented here, aiming at predicting or explaining a variable. Another advantage of the PLS method is that it is based on the estimation of individual regression equations in the context of the model and therefore makes it possible to estimate large models even with small samples (Huber et al., 2005). There is also the fact that covariance-based methods such as LISREL (Linear Structural Relationship) concentrate on reflective construct operationalizations, while formative constructs may only be considered with limits and under restrictive conditions (Hermann et al., 2004; for the difference between reflective and formative see Bollen & Lennox, 1991; Eggert & Fassott, 2003). A proper

operationalization of the constructs, however, is highly significant for the quality of the measurement model (Diamantopoulos & Winkelhofer, 2001).

Sampling was conducted among students using a combination of targeted addressing based on the e-mail directory of the marketing chair and a seminar in communication sciences of the University of Mainz, and the so-called “pyramid scheme” (Lütters 2004, p. 137). By this means a total of 174 respondents could be won within a relatively short field period (2 March 2006—10 March 2006), 81 of these answered version 1 of the questionnaire (*BILD Zeitung/taz*) and 93 of these answered version 2 of the questionnaire (*Süddeutsche Zeitung/Die Zeit*). Every respondent provided information on two mother brands with two add-on products, which produced a total of 696 cases.⁶

As there are no brand associations available if the brand is unknown, appropriate filter questions guaranteed that the respondents only answer questions on newspapers they actually know.

The answers were altogether returned very quickly which can be attributed to the relatively short average answering time of 8.4 minutes. Most respondents were students of business studies (24.1 %) and communication sciences (19.5 %); all other respondents (56.4 %) were students from different disciplines (e.g. law, architecture, German studies etc.), so that an overall heterogeneous sample was available. The sample is made up of 55.2 % of women and 44.8 % of men; the average age of the respondents was 25.03 years.

Results for the Structural Model

Global Model

The pivotal question with regard to the presentation of the estimation results on the level of the structural model is, how well the theoretically postulated causal relations is confirmed by the empirically measured values. Especially the standardized structural parameters determined by PLS (range of values between 0 and 1) should be in the center of attention.

The test of the hypotheses takes place on the basis of the calculated t-values, whereby a significance level of 5 % is regarded as sufficient. This implies that the t-values should be higher than 1.98 (Huber, 2005). Within the global model, H_1 , H_3 , H_6 , H_7 , H_8 and H_9 prove to be significant at 5% level in a two-sided t-test (see table 2). Another significant influence can be determined with regard to the knowledge of the mother brand (H_3), however, the sign of the structural parameter does not comply with the theoretical preliminary considerations. The influence of the knowledge of the mother brand has a significantly

⁶ Strictly speaking the number of cases only amounts to 652 as one test person stated not to know the newspaper *BILD*, 13 stated not to know *taz*, two stated not to know *Süddeutsche Zeitung* and six stated not to know *Die Zeit*. As these missing values only represent approx. six percent of the number of cases, they are retained for this data record.

Table 2: Verification of hypotheses on the basis of t-tests for the global model

Hypothesis		t-value	Structural parameter	Result
H ₁	Strength of the mother brand => attitude towards add-on product	7.6904	0.291	Verified
H ₂	Image structure => attitude towards add-on product	0.7034	0.077	Rejected
H ₃	Knowledge of the mother brand => attitude towards add-on product	2.1567	-0.082	Rejected
H ₄	Product involvement=> attitude towards add-on product	0.1969	0.008	Rejected
H ₅	Price evaluation => attitude towards add-on product	4.2581	0.157	Verified
H ₆	Product fit => attitude towards add-on product	7.7341	0.290	Verified
H ₇	Brand image fit => attitude towards add-on product	4.8318	0.197	Verified
H ₈	Image structure => brand image fit	2.2588	0.097	Verified
H ₉	Attitude towards add-on product => future purchase intention	23.3443	0.602	Verified

negative value which is, however, very low. H₂ and H₄ are rejected as not significant (cf. ib.). With regard to the image structure (H₂), however, it has to be taken into account that, indeed, there is no direct correlation between this value and the target construct, but an indirect correlation via the brand image fit. This very low indirect effect results from the multiplication of the coefficients of the indirect way and amounts to 0.019.

Besides the statistical significance and plausibility of the structural model, it is moreover interesting whether the determinants identified are able to explain the formation of the target constructs attitude towards the add-on product and future purchase intention. As PLS does not require distribution assumptions, the models estimated with the help of this approach cannot be tested in an interference statistical sense (Hahn, 2002). The structural model can, however, among other things be esteemed with the help of the coefficient of determination R². In doing so, R² indicates the part of the variance of a construct which is explained by the causally antecedent parameters. Regarding this, the question comes up whether the endogenous target constructs (attitude

towards the add-on product, future purchase intention) can be explained to an acceptable degree by the potential success factors.⁷

Within the global model the part of the variance of the target construct “attitude towards the add-on product” explained by the antecedent constructs amounts to 30.4 %. The variance of the future purchase intention is even explained to a degree of 36.2 %. Hence, in both cases, R^2 is above the requested value of 30% for the explained variance (Huber, 2005).

Furthermore, the endogenous constructs of the model have to be tested on the structural model level with regard to predictive validity and multicollinearity. The test of the predictive validity is made with the help of *Stone-Geissers* Q^2 ; Q^2 , however, can only be calculated for endogenous constructs which are operationalized reflectively. That being the case for both target constructs in the model presented here, Q^2 is calculated for both the attitude towards the add-on product (0.072) and the future purchase intention (0.201). In both cases, Q^2 is above the critical value of zero; thus both target constructs have predictive relevancy. As this criterion is met by both target constructs, the combined predictive relevancy of the structural and the measurement model can also be confirmed (Herrmann et. al. 2004: 20).

Multicollinearity only has to be measured for the endogenous construct “attitude towards the add-on product”, as the second endogenous target construct is only anteceded by one singular construct. The VIF (Variance Inflation Factor) of all independent constructs is below 10. Thus there is no multicollinearity on the structural model level (concerning the exact measurement of the VIF see Huber 2005, p. 36).

Table 3: Applied Criteria in Evaluating the Structural Model

Criterion	Structural Model
Structural parameter	No threshold
t-Value	> 1,98 (double-sided)
R^2 (explained variance)	> 0,3
Multicollinearity	Variance Inflation Factor < 10
Predictive validity (endogenous reflective constructs)	Stone-Geissers Q^2 (redundancy) > 0

⁷ The construct brand image fit also represents an endogenous model parameter. As this, however, is not counted among the actual target constructs, the variance explanation of this construct is not the center of the study; therefore a detailed examination is not carried out.

Influence of the Moderating Variables

Furthermore it was analyzed, to what extent the influence of the success factors varies, depending on the product category (media vs. non-media) and on reading frequency of the respondents (frequent readers vs. infrequent readers).

Those respondents indicating that they always (every issue) or often (every second issue) read a newspaper were classified as frequent readers. The respondents answering that they never (no issue) or rarely (less than every second issue) read a newspaper were classified as infrequent readers. From each of these two groups a sample of $n = 50$ was drawn.

With regard to the moderating variable product category membership, the data set is divided up so that on the one side all cases referring to media products ($n = 267$), on the other side all cases referring to non-media products ($n = 429$) are subsumed. It is preferable to divide the data set instead of drawing a sample from the respondents, as the media and the non-media product categories were not distributed equally among the respondents. A respondent may be interviewed on both media and non-media add-on products. Media products include the SZ Library (books), SZ Cinematheque (DVDs) and the BILD Comics Library (books). All other products are assigned to the non-media category.

These data sets are now entered separately into the modified global model and submitted to the iterative estimation process (Huber et al., 2005). The estimation of the model quality on the structural model level for the frequent reader and infrequent reader models as well as for the non-media and the media models take place analogous to the validity test for the global model described above.

The obvious differences regarding the influencing factors and their effectiveness taking into account all models are more interesting than another isolated consideration of singular models. With the help of the model comparison according to Chin (2000), the significant path coefficients of the groups to be examined are submitted to a two-sided t-test with $m+n-2$ degrees of freedom to test whether the differences between the groups only have a coincidental character or whether they can actually be ascribed to the moderating variables general reading frequency and product category membership (Huber et al., 2005).

Tables 4 and 5 show that the t-values calculated according to *Chin* are, with a significance level of 5 %, above the critical t-value with $n+m-2$ degrees of freedom for nearly all correlations (t-value > 1,98). Therefore significant group differences exist. With regard to the direction, however, there is no homogenous picture (see tables 4 and 5).

Table 4: Values of the group comparison for the factor reading frequency

Hypothesis		Group of frequent readers	Group of infrequent readers	Difference	t-value
		path coefficient	path coefficient		
H ₁	Strength of the mother brand => attitude towards add-on product	0.228	0.255	-0.027	2.94
H ₅	Price evaluation => attitude towards add-on product	0.270	0.000	0.270	20.13
H ₆	Product fit => attitude towards add-on product	0.176	0.337	-0.161	19.04
H ₇	Brand image fit => attitude towards add-on product	0.359	0.178	0.181	19.62
H ₈	Image structure => brand image fit	0.226	0.000	0.226	19.15
H ₉	Attitude towards add-on product => future purchase intention	0.666	0.569	0.097	17.79

To furthermore enable an interpretation of the results across all models, the results from the individual models are compared to each other and the respective differences are tested for significance. For example, the differences between the global model and the frequent reader model, the infrequent reader model, the media product model and the non-media product model are tested for significance with the help of the *Chin* test. Apart from few exceptions, this also reveals exclusively significant differences.

Discussion

Just as in studies of the consumer goods industry, the central position of the strength of the mother brand and the product fit with regard to the success of add-on products is confirmed in this media specific study (Zatloukal, 2002; Völckner, 2003).

Table 5: Values of the group comparison for the factor product category membership

Hypothesis		Group of media products	Group of non-media products	Difference	t-value
		path coefficient	path coefficient		
H ₁	Strength of the mother brand => attitude towards add-on product	0.283	0.306	-0.023	12.279
H ₃	Knowledge of the mother brand => attitude towards add-on product	0.000	-0.162	0.162	4.246
H ₅	Price evaluation => attitude towards add-on product	0.175	0.000	0.175	13.962
H ₆	Product fit => attitude towards add-on product	0.233	0.239	0.003	1.032
H ₇	Brand image fit => attitude towards add-on product	0.165	0.224	-0.059	9.437
H ₈	Image structure => brand image fit	0.000	0.132	-0.132	20.571
H ₉	Attitude towards add-on product => future purchase intention	0.688	0.481	0.207	53.816

The strong influence of the strength of the mother brand across all models implies that the image transfer, the basic target of a brand extension, also takes place in the newspaper industry. Obviously it does not play a role at all, or only slightly and indirectly, whether the respective brand scheme is especially close to the core product newspaper or includes associations going far beyond it. It is above all important that the associations altogether are favorable.

Especially in the non-media category the relevance of the strength of the mother brand increases and exerts the highest influence so far (0.306) on the attitude towards the add-on product. Here the consumers seem to be especially

insecure or inexperienced and therefore rely above all on their overall impression of the mother brand.

The assumed positive influence of the knowledge of the mother brand on the target construct attitude towards the add-on product is not confirmed by the generated data. As can be seen with the help of the global model, the attitude of readers of a newspaper towards its add-on products is not more positive than those of non-readers. On the contrary, there is even a slightly negative effect (-0.082). The actual reader of a newspaper is thus less open to this “commercialization and economization of the newspaper”. This may mean that the target group of these products is not necessarily among the readers, but that even new target groups outside the readership may be addressed. This thesis is substantiated by the even stronger negative influence of the knowledge of the mother brand on non-media products (-0.162), whereas there is no proof of a significant influence on media products. Obviously non-media add-on products especially dilute the original function of the newspaper and therefore are even more definitely linked to the “commercialization of the newspaper”. This apparently leads to reactances within the existing readership.

However, another media-specific success factors which is not verified as a success factor in meta-analyses of consumer goods studies⁸, can be identified in this context: the price evaluation. Both in the general view (0.157) as well as with regard to the media products (0.175) and the frequent readers (0.271), this determinant shows a significantly positive influence. Apparently the relatively low price of add-on products of newspaper brands does not imply a lacking quality, but is evaluated positively and thereby contributes to a positive attitude towards the add-on product.

The differentiated inspection of the fit within the framework of this study shows that with regard to newspapers, the product fit has a stronger influence on the attitude towards the add-on product (H6) than the brand image fit (H7). This corresponds to the results of common product line extensions which also assume a dominant role of the similarity on the product category level (Bath & Reddy 2001). Park, Milberg, and Lawson (1991) furthermore showed that with regard to brands with a brand scheme rather characterized by the product, the product category similarity had a stronger influence on the evaluation of the add-on product than the brand image fit. On the other side, with regard to symbolic or prestige brands, the brand image fit was more important than the product fit (Park, Milberg, & Lawson, 1991). Inverting the argument, newspaper brands could be assigned to the category “functional brand” because of the stronger influence of the product fit both in the global model and after differentiation in media and non-media products. That implies that their brand images and brand concepts are mainly characterized by the product newspaper. Accordingly their images rather rely on concrete product characteristics than on conceptual associations. The relative impact of the

⁸ See Zatloukal (2002) and Völckner (2003).

brand image fit of non-media products (0.224) compared to media products (0.165) is indeed higher; however, it also does not exceed the effectiveness of the product fit.

This pattern of effect which seems to be characteristic for newspapers appears, however, differently when taking into account the moderating variable “reader frequency”. Obviously the brand image fit of the add-on product is more important for frequent readers (0.359) than the product fit (0.176), in marked contrast to infrequent readers. They form their attitude towards the add-on product mainly with the help of the product fit (0.337), followed by the attitude towards the mother brand (0.255), and finally because of the brand image fit (0.178). For frequent readers a newspaper is therefore more than a means to an end, namely an emotionally charged brand with a symbolic or prestige character. Furthermore, the influence of the attitude towards the mother brand clearly falls short of the brand image fit. It is important for frequent readers, that the brand association relevant for the add-on product is perceptible. This also explains the strongly positive effect of an extrinsically formed image structure (0.226) on the brand image fit (H8) which can be perceived in this group.

The correlation between the attitude towards the add-on product and the future purchase intention can be confirmed both globally (0.602) and with regard to the frequent readers (0.666) and the infrequent readers (0.569) as well as with regard to media (0.688) and non-media (0.481) products, which can be regarded as a proof for the theory of planned behavior (Ajzen, 1989).

It is noticeable that this correlation is more distinctive within the frequent reader group than within the infrequent reader group. This might be a hint that frequent readers form their purchase intention more consciously than infrequent readers and therefore are, according to Krugman’s (1965) involvement theory, “highly involved“, basing their acting stronger on cognitive considerations than infrequent readers (Krugman 1965, p. 349). This result in turn confirms the assumption that frequent readers may be regarded as experts and therefore are altogether more involved.

The second group comparison between media and non-media products also shows a difference with regard to the future purchase intention. The weaker correlation with regard to the non-media category (0.481 vs. 0.688; see table 5) as well as the considerably lower portion of explained variance of the future purchase intention ($R^2 = 0,232$)⁹ and the attitude towards the add-on product ($R^2 = 0,225$)¹⁰ suggests that with regard to non-media product categories, further variables not taken into account in this model considerably determine the two presented target constructs.

⁹ Compared to $R^2 = 0.362$ in the media product model.

¹⁰ Compared to $R^2 = 0.304$ in the media product model.

Conclusions

To sum up, it may be stated that especially the strength of the mother brand (H1) and the product fit (H6) influence the attitude towards the add-on product.

Furthermore it is shown that the attitude and the purchase intentions with regard to cross-media brand extensions of newspaper brands are stronger influenced and more comprehensively explained by the presented success factors than with regard to non-media extensions. Furthermore, it is more complicated to implement non-media products, which are only recommendable for strong brands with a broad image structure. Not only the product fit, but also the brand image fit has to be taken into account.

Interestingly enough, the effect of the strength of the mother brand and the brand image fit can also be found with regard to infrequent readers. This strongly indicates that newspaper brands are actually positioned in people's minds even if they do not consume it. The effect of the success factors with regard to the infrequent readers shows that add-on products might increase the target group beyond the regular readership.

Implications for Future Research

Even though the study presented here provides significant results with regard to the success factors of brand extensions in the newspaper industry, they should be generalized cautiously as they were generated by use of a student sample. Although previous studies (Völckner, 2003; Zatloukal, 2002) for the consumer goods industry have shown that there are only marginal differences between the results of a student and a representative population sample, a verification of the results by means of a representative survey would make sense.

To increase the external validity it is recommended to include further newspapers and product categories. It would also be interesting to compare different newspaper categories, e.g. national and regional daily newspapers.

Due to research economic reasons this study could not take into account all facets of potential success factors. The aspect "history of previous brand extensions", for example, was left out as the phenomenon of "brand extensions in the newspaper industry" was still relatively new when the preparations of this study started; until then only a relatively small number of brand extension products had been introduced. The number of extensions, however, constantly increases so that most national newspaper brands now offer an extensive portfolio. As the influence of this factor could also be confirmed by comparable consumer goods studies, this aspect should be included in future media specific research projects.

Within the framework of this study it could be shown that the product fit exerts a relatively strong influence on the attitude towards the add-on product. In a next step it should be examined which products, according to the consumers, are considered as suiting a newspaper on the product category level. This is a way to adequately convert the results from this study in future. These results may be useful for different newspapers irrespective of the brand.

As has already been explained, this study only examined the effect of the mother brand on the add-on product. According to Meffert (1994), the brand extension process always implies interdependencies, with the mother brand having an impact on the add-on product and the add-on product having a retroactive impact on the mother brand. This interaction should therefore also be examined closely in future.

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Appendix 1: Operationalization of the constructs

Table 6: Scale of measurement of the strength of the mother brand (cf. fig.2; H1)

Item	Indicator	Anchor points of the scale
How well do you know the following newspapers?	MS1 (awareness)	do not know it at all - know it very well
How easy has it been for you to call forth associations, thoughts and emotions with regard to the respective newspaper?	MS2 (association strength)	not at all simple - very simple
Altogether I think ... is very good.	MS3 (general attitude)	do not agree at all - totally agree

Table 7: Scale of measurement of the image structure (cf. fig. 2; H2; H8)

Item	Indicator	Anchor points of the scale
... and the associations I have go far beyond the concrete media offer (newspaper).	IS1 (extrinsic association)	do not agree at all - totally agree

Table 8: Scale of measurement of the knowledge of the mother brand (cf. fig. 2; H3)

Item	Indicator	Verbalized scale points
How often do you read or run over the ...?	ME1 (frequency of use)	never (no issue)
		-
		rarely (less than every second issue)
		-
		sometimes (approx. every second issue)
		-
		often (nearly every issue)
		-
		always (every issue)

Table 9: Scale of measurement of the product involvement (cf. fig. 2; H4)

Item	Indicator	Anchor points of the scale
Before buying a product from the following product groups I extensively think about it.	PI1 (mental engagement)	do not agree at all - totally agree
If you want to buy a product from the following product group, to what extent do you pay attention to the supplier or producer?	PI2 (attention regarding the producer)	not at all - very strongly

Table 10: Scale of measurement of the price evaluation (cf. fig. 2; H5)

Item	Indicator	Anchor points of the scale
If you think of a product from the same product group, how do you evaluate the price (...) of the pictured product?	PB1 (price evaluation)	relatively expensive - relatively cheap

Table 11: Scale of measurement of the product fit (cf. fig. 2; H6)

Item	Indicator	Anchor points of the scale
Please indicate to what extent, in your opinion, the product groups mentioned below fit a newspaper?	PF1 (global fit)	does not fit at all - fits very well
To what extent, in your opinion, is a newspaper publisher able to choose very good products from the following product groups?	PF2 (competence of choice)	not able at all - absolutely able

Table 12: Scale of measurement of the brand image fit (cf. fig. 2; H7)

Item	Indicator	Anchor points of the scale
To what extent does your overall picture of the ... newspaper fit the following products?	MF1 (consistence of image)	does not fit at all - fits very well

Table 13: Scale of measurement of the attitude towards the add-on product (cf. fig. 2; H9)

Item	Indicator	Anchor points of the scale
All in all, ...is a product which, in my opinion, is very good.	EE1 (general attitude)	do not agree at all - totally agree

Table 14: Scale of measurement of the future purchase intention (cf. fig. 2)

Item	Indicator	Anchor points of the scale
...is a product I will buy in future.	zK1 (purchase intention)	do not agree at all - totally agree

Magazine Online Brand Extensions: Do They Really Affect Brand Loyalty?

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Marketing researchers have repeatedly confirmed that, faced with a competitive market situation, brands increase the success of their marketing programs in terms of effectiveness and efficiency (Hoeffler & Keller, 2003). In today's highly competitive and fragmented media markets, brand management has become a key issue for the marketing of media companies. As brand-management concepts are applicable to the media (McDowell, 2006b, on television: Wolff, 2006), and the increased competition since the 1990s has driven media businesses to look beyond short-term sales, more and more media companies are seeking lasting competitive advantage based on brand equity (McDowell, 2006a). It was not until recent decades that media industries embraced the concept of brand management and researchers started to examine media brands—making them still a “relatively new and fertile ground for research” (McDowell, 2006b, p. 230).

As of yet, there is no common agreement on the many brand-management concepts in the general or the media-marketing literature. When conceptualizing brand equity, media scholars frequently refer to the framework developed by Kevin L. Keller, who conceptualized it from the customer perspective (Chan-Olmsted & Kim, 2001; Chan-Olmsted, 2006; McDowell & Sutherland, 2000; McDowell, 2006a). According to this framework, customer-based brand equity is a combination of brand awareness and brand image (Keller, 2003). All other things being equal, customers respond differently to companies' marketing activities (i.e. product, promotion, price, and place) because of their combined awareness and image associations (McDowell, 2006b). High brand equity occurs when the customers hold strong, favorably evaluated associations that are unique to the brand and thus imply superiority (Keller, 2003). Brand equity manifests itself not only indirectly (measured as brand awareness and brand image), but also directly as market behavior (McDowell, 2006b). The latter could be specified as behavioral loyalty, as manifested in repeat consumption behavior. High brand equity influences customer loyalty in that it makes brand choice more probable (McDowell & Sutherland, 2000): brand equity thus leads to greater attitudinal loyalty while decreasing customers' openness to the marketing activities of competitors (Keller, 1993). Behavioral loyalty is its obvious outcome (McDowell & Sutherland, 2000).

Drivers of audience/reader loyalty are much more than the current offered content (e.g., news) and include the media vehicle's brand attributes and reputation (Aris & Bughin, 2005). As manifested in the use of brand extension strategies by the media industries, media companies try to capitalize on the brand-equity build up with established offerings when introducing new ones (Chan-Olmsted, 2006). Many publishers have recently extended their print brands to the Internet (e.g., Doyle, 2002), and media websites could thus be seen as brand extensions (cf. Ha & Chan-Olmsted, 2001; Norbäck, 2005).

On the Finnish market magazine publishers justify their online investments under the assumption that websites provide new means of strengthening the customer relationship and increasing brand attachment and loyalty (Aikakauslehtien liitto, 2005; Ellonen, 2007). International industry reports have also included similar arguments (e.g., PPA, 2004). So far, this belief is mostly based on anecdotal and case-study evidence (e.g., Ellonen and Kuivalainen, 2006), and empirical research in this domain is still scarce. Our aim in this explorative study is to shed light on and empirically test the relationship between online brand extensions and brand loyalty by examining the effects of customers' experiences with magazine websites and their effects on loyalty. The data was collected through online surveys (n= 807 in the full sample) from three Finnish magazine websites.

Our objective is to answer Chiagouris and Wansley's (2000, p. 38) call "to measure the degree the site is actually migrating visitors to a deeper acceptance of the company and a greater attachment to its products and brands".

We introduce the key concepts and research framework in the next sections of the paper, and then we describe the methodology used. The results from the empirical study focusing on the users of the three magazine websites are subsequently presented. The conclusions and implications are discussed in the last section.

Key Concepts

Brand extension can be defined as the use of established brand names in the launching of new products (e.g., Völkner & Sattler, 2006). According to Keller and Aaker (1992), brand-extension strategies are based on the assumption that the practice will reduce initial marketing costs, and enhance the prospects of success by fostering consumer acceptance. Brand extensions may also reinforce positioning (Park *et al.*, 1986), capture a greater market share, and realize advertising effectiveness (Smith & Park, 1992).

Research has shown that high-quality brands stretch further than average-quality brands (Keller & Aaker, 1992). Keller and Aaker (1992) found that successful extensions increased consumer evaluations of the parent brand, while unsuccessful extensions did not have a negative impact (see also Zimmer & Bhat, 2004). However, brand extensions may also have a dilution effect if the attributes are inconsistent with the parent brand (Loken & John, 1993;

Martinez & Pina, 2003), and the 'fit' between the extension and the parent brand is considered an important indicator of success (e.g., Aaker & Keller, 1990; Park *et al.*, 1991).

Brand loyalty is a traditional marketing concept describing long-term, committed consumer brand relationships, and has intrigued investigators for decades. The level of brand loyalty has been used as a measure of the success of the marketing strategy, and as a partial measure of brand equity (Knox & Walker, 2001).

In the simplest terms, brand loyalty is defined as repeat purchasing behavior (e.g., Oliver, 1999; Odin *et al.*, 2001; Chen & Hitt, 2002). However, many researchers argue that such behavior does not capture the whole essence of the concept. Jacoby and Kyner (1973, p. 2) distinguished brand loyalty from simple purchasing behavior by conceptualizing it as "the biased, behavioral response expressed over time by some decision-making unit, with respect to one or more alternative brands out of a set of such brands, and is a function of psychological processes." Later, several other researchers also incorporated an attitudinal dimension in their conceptualizations (e.g., Baldinger & Rubinson, 1996; Chaudhuri & Holbrook, 2001). According to the attitudinal approach, brand loyalty refers to stated preferences and commitment (Gounaris & Stathakopoulos, 2004). The assumption is that the attitudinal and behavioral dimensions are also interrelated (Chaudhuri & Holbrook, 2001; Gounaris & Stathakopoulos, 2004). For the purposes of this study, we define brand loyalty as a consumer's attitudinal and behavioral response to a brand.

According to Aaker (1991), a consumer's relationship with a brand starts to develop from point zero when he or she has no kind of connection with or interest in it. He or she then becomes aware of the brand and may be satisfied with his or her experiences of it. After that, when the satisfaction strengthens, trust begins to develop. Finally, when the consumer relies on or trusts in a brand and starts to make repurchases, he or she starts to be loyal to it. Thus, there is a chain from satisfaction to trust to loyalty, and we assume this also applies online. In the following we discuss the concepts of and relationships involved in website satisfaction, website trust, and website loyalty, and present our research framework.

We consider *website satisfaction* a focal concept in that it has been identified as an antecedent of website trust and loyalty (e.g., Yoon, 2002; Ribbink *et al.*, 2004; Flavián *et al.*, 2006). Consumer satisfaction with a website has been studied either on the overall level (e.g., Muyelle *et al.*, 2004) or with regard to specified aspects such as ease of use, availability of customer service, and information or system quality (e.g., Bansal *et al.*, 2004; Cheung & Lee, 2005; Hsu, 2006). In this paper we follow Flavian *et al.*'s (2006) approach and define website satisfaction as an affective consumer condition towards the website that results from the evaluation of all the aspects that make up the consumer relationship.

Several researchers have identified trust as a critical component in e-commerce (e.g., Quelch & Klein, 1996; Corbitt *et al.*, 2003). However, the definition of *website trust* is not yet established. We follow Corritore *et al.*'s (2003, p. 740) definition of trust in a specific transactional or informational website as "an attitude of confident expectation in an online situation of risk that one's vulnerabilities will not be exploited".

Basing their work on the traditional literature on brand loyalty, Gommans *et al.*, (2001), Danaher *et al.* (2003) and Anderson and Srinivasan (2003) studied brand loyalty in online environments. These studies investigate a consumer's loyalty to an online service. While Danaher *et al.* (2003) measure loyalty purely as repeat purchasing behavior, Anderson and Srinivasan (2001, p. 125) include attitudinal and purchasing-behavior dimensions in their definition, and Gommans *et al.* (2001) suggest a third, intermediary element of behavioral intent between attitude and behavior. In our view, because using a website does not necessarily require any financial transactions, it is valuable to conceptualize *website loyalty* as comprising both attitudinal and behavioral loyalty. We therefore define it as a consumer's attitudinal and behavioral response toward a website.

Research Framework

Website satisfaction has been found to be an antecedent of website trust. Flavián *et al.*, (2006) noted that a consumer's greater satisfaction with a particular website positively influenced his or her trust in it. Yoon (2002) also agreed that website satisfaction and trust showed a significant, positive correlation. Furthermore, it has been found that a consumer's positive web experiences are related to a stronger degree of perceived trust (Corbitt *et al.*, 2003), and according to Ribbink *et al.* (2004), e-satisfaction is a driver of e-trust. Thus, we derive our first hypothesis as follows:

H1: Website satisfaction has a positive impact on website trust

Moreover, Anderson and Srinivasan (2003) found a connection between online satisfaction and online loyalty, and Semeijn *et al.* (2005) produced similar results. Shankar *et al.* (2003) posit that satisfaction builds loyalty, which reinforces satisfaction. Hence it is hypothesized that:

H2: Website satisfaction has a positive impact on website loyalty

Trust has been identified as a major driver of loyalty both on the brand level (e.g., Garbarino & Johnson, 1999; Lau & Lee, 2000; Chaudhuri & Holbrook, 2001; Berry, 2002) and online. For example, Ribbink *et al.* (2004) and Flavian *et al.* (2006) found that trust in a website led to increased loyalty to it. Moreover, Reichheld and Scheffer (2000) argue that in order to gain the

loyalty of customers you must first gain their trust, and they maintain that this applies even more on the web (see also Corbitt *et al.*, 2003). Thus, we posit that:

H3: Website trust has a positive impact on website loyalty

The objective of this study is to explore the impact of consumer website, i.e. brand-extension experiences on parent-brand loyalty. As mentioned in the introduction, this topic has not attracted research attention and there are only a few empirical studies focusing on it (Sheinin, 2000), despite the fact that Aaker and Keller presented it as a future research topic of strategic importance as early as in 1990. Successful extensions have been found to improve consumer evaluations of the parent brand (Keller & Aaker, 1992). According to Martinez and Chenatony (2004), consumers' positive attitudes towards the extension have a positive impact on the parent-brand image, while Balachander and Ghose's (2003) study, in turn, provides support for the argument that brand extensions favorably affect the image of the parent brand and thereby influence the choice of brand or product.

These studies show that brand extensions may have an impact on consumer evaluations of the parent brand. If they do affect evaluations of the parent brand and its image, and thereby influence choice, it could be logically reasoned that they could also have an impact on (attitudinal and behavioral) parent-brand loyalty. Therefore, for the purposes of this study, we take an exploratory approach to understanding the impact of consumer online brand-extension experiences on brand loyalty, and posit three additional hypotheses:

H4a: Website satisfaction has a positive impact on brand loyalty

H4b: Website trust has a positive impact on brand loyalty

H4c: Website loyalty has a positive impact on brand loyalty.

Figure 1 summarizes our research framework. Three additional control variables, a) length of the use of the Internet, b) readership history of the magazine, and c) user history of the magazine website, are included in the model in order to enhance the managerial relevance and to account for certain predictors of brand loyalty presented in the extant literature. Corbitt *et al.* (2003) argue, for example, that expertise in usage of the web should have a positive effect on brand loyalty (in their case "willingness to buy online"). There are several e-commerce-related papers suggesting this type of link between either Internet proclivity or experience and purchasing intention (see e.g., Kuhlmeier & Knight, 2005).

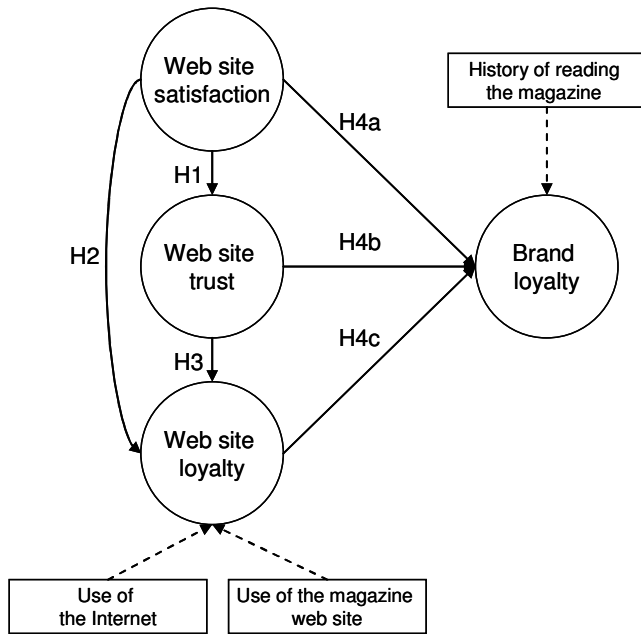


Figure 1. Research framework

Data Collection and Sample

The empirical study reported in this paper focuses on the online users of three Finnish magazines, a women’s magazine, a teenage magazine, and a computer magazine, which were subsequently named *Women’s*, *Teenage* and *Computer* for our evaluative purposes. The data comprising these three independent sets was collected by means of online surveys in spring 2007 in cooperation with the magazines of two different publishers, and the targeted respondents were the users of the online services of the magazines. The announcement of the survey with the link to the actual questionnaire was published on the magazine website, and the surveys were open for 7-14 days. There were 807 respondents altogether.

There are several similarities in all three focal magazines. First, they represent the market leaders in their categories or segments. Secondly, they all opened their websites nearly 10 years ago, among the first in the market, and thirdly, they have established online audiences today. However, we chose to compare the results of the three magazines as they had chosen to follow different online strategies. In briefly explaining the differences we adopt the concepts developed by Barsh *et al.* (2001), who originally presented a dichotomy of magazine online strategies, recently adapted by Kaiser (2005), for example. Barsh *et al.* maintain that, in principle, magazines have two

alternatives: either to provide online support for the print magazine, the *companion site*, or to provide a *destination site* that aims to “become the top site in its category, maximize value for users and extracts money from them by providing a complete and compelling experience” (Barsh *et al.*, 2001). If we consider these two alternatives to mark the two ends of a continuum of different online strategies, the three case magazines are spread evenly along it.



Figure 2. The online strategies of the three magazines

The Women’s magazine has experimented with a selection of online services but, for the time being, focuses on promoting the print magazine online. Content provided online is limited to abstracts of the content of the print magazine, and an occasional poll. The Teenage magazine, on the other hand, also promotes the print magazine, but serves a variety of only-for-online content and applications. For example, it hosts a very popular discussion forum and also provides other interactive tools for teenagers. The Computer magazine has gone the furthest, as it also has a distinct brand for the website (although the parental brand name will also take you there). The site itself mostly consists of online-only content. It offers several independent applications that have increased in popularity, and have thus made it a destination for those interested in computers in Finland.

The sample descriptions are shown in Table 1. Both the Women’s magazine and the Teenage magazine website samples consisted almost entirely of female respondents, whereas the Computer magazine sample was almost entirely represented by male respondents. The mean age of the respondents in the Women’s, the Teenage and the Computer magazine samples were about 37, 17 and 27 years, respectively. The deviation in age in the teenager sample was notably lower than in the other two, and experience of using the Internet and the history of reading the magazine were also at a lower level, probably due to the young age of the respondents. The Women’s magazine sample was characterized by the shortest history of using the magazine website, even though the history of reading the magazine was the longest. In all of the three samples the mean history of reading the magazine was longer than the history of using the website.

Table 1. Sample Descriptions.

	Women's magazine	Teen magazine	Computer magazine
N	178	305	324
Gender	175 (98.3%) female	298 (98.3%) female	301 (93.2%) male
Mean (Std. deviation)			
Age	36.9 (10.9)	17.2 (4.08)	26.5 (10.5)
Use of the Internet	9.3 (3.4)	6.8 (2.5)	10.0 (3.1)
History of reading the magazine	7.9 (3.5)	4.6 (1.9)	7.8 (3.2)
Use of magazine website	2.9 (2.0)	3.5 (1.7)	6.3 (2.5)

Measures

In building our measures to test the above-mentioned hypotheses we followed established methods (Churchill, 1979). For example, in order to increase the accuracy of the measurements we used multiple indicators in most of the cases, and most of the items and/or scales were adapted from the extant studies whenever possible. After the initial item generation several industry professionals and scholars commented on the first version of the questionnaire, and a pre-pilot study (N=24) was conducted. After that the second version of the questionnaire was pre-tested in an actual pilot study focusing on a fourth magazine (not on any of the three focal magazines). There were 873 respondents in this pilot. On the basis of the pilot-study findings and the scale validity and reliability analyses we made minor revisions to the questionnaire. The pilot and the final survey were conducted in Finnish. However, the original English items were back-and-forth translated in order to ensure the validity of the Finnish items.

We measured website satisfaction on four items adapted from Flavian *et al.* (2006). As there were no existing scales available for website trust, for the purposes of this study we adapted four items from the brand-trust scale developed by Delgado-Ballaster and Munuera-Alemán (2005). Both loyalty constructs were divided along two dimensions: the attitudinal dimensions measured preferences and commitment, and the behavioral dimensions re-patronage behavior and intentions. As using a website, or reading a magazine, do not require buying the product, existing loyalty scales that emphasize re-buying behavior were supplemented with items that focus on website usage or reading intentions.

For the attitudinal website loyalty scale (four items) we took one item from the scale measuring loyalty towards a website devised by Anderson and Srinivasan (2003), and three items from the online-involvement scale devised by Quester and Lim (2003). The latter three items were also used in the study conducted by Shang *et al.* (2006). The behavioral website-loyalty scale includes four items: one was adapted from Anderson and Srinivasan's (2003) study, one from Quester and Lim's (2003) and Shang *et al.*'s (2006) studies, and two were added for the purposes of this study ("It is important for me to use the X website in particular" and "I will use the X website in the future"). In line with the website-loyalty scale, the brand-loyalty scale followed the above-mentioned division, and these items were adapted from the same original scales. One item ("I am going to read X magazine in the future") was added for this study.

All the measures were seven-point Likert scales. We used single-item measures for the three control variables, focusing on the length of the experience or relationship with the magazine, the website, and the Internet in general. These measures clearly have good face validity. All the measures, the sources of the scales and items as well as the loadings and reliability statistics, i.e. average variances extracted (AVE) and composite reliabilities of the constructs (CR), are reproduced in Appendix 1. These results indicate good psychometric properties for the multi-item constructs: AVE is above 0.50, and CR is greater than 0.80 in all constructs (see Fornell & Larcker, 1981; Bagozzi & Yi, 1988).

Findings

The measurement model (consisting of confirmatory factor analyses, CFAs) was drawn up in parallel with the actual structural model by means of structural equation modeling (AMOS 6.0 Software). A similar theoretical model (see again Figure 1 for the diagrammatic presentation and Appendix 1 for the actual measures) was tested separately for each of the three sub-samples. The correlation matrices of each dataset are shown in Appendix 2.

The Chi square test results were not significant, as shown in Table 2. However, as the test has been found to be sensitive to sample size, it is possible to analyze the quality or goodness of the models through other tests (see e.g., Hair *et al.*, 1998). A look at the indices in Table 2 shows that the models attained an adequate fit (IFI index values above the 0.90 threshold in all three sub-sets, for example). Consequently, they could be considered suitable for the actual structural testing, although we have to admit that one of the fit indices was just below the suggested levels (see again Table 2 and, e.g., Byrne, 2001): the RMSEA value for the Women's Magazine was higher than 0.08, meaning that the fit according to this index was mediocre.

Table 2 The fit indices of the models

Indices	Computer Magazine	Teen Magazine	Women's Magazine
Chi-Square	838.972	794.883	624.081
Df	275	285	275
P	0.000	0.000	0.000
RMSEA	0.08	0.079	0.085
IFI	0.914	0.924	0.909
TLI	0.889	0.902	0.881
CFI	0.913	0.923	0.907

In order to test the hypotheses we estimated path models that would reflect the posited relationships for each sub-sample (three magazines). The results of the path analysis are shown in Table 3. If we look at the estimates (coefficients) again we can now depict which hypotheses were supported and which were not.

The results provide strong support for a positive link between website trust and website satisfaction, which was significant in all of the sub-samples ($P < 0.001$) and supports H1. The main effect between website satisfaction and attitudinal website loyalty was also positive and was supported in all the respondent groups, which supports H2. This means that users who were satisfied with the website were more committed to the focal magazine's website than to the sites of the competitors. However, we have to note that the direct link from website satisfaction to behavioral website loyalty was not significant in any of the sub-samples.

There were some differences among the magazines regarding H3, positing that website trust would have a positive impact on website loyalty. The Computer and Teenage magazine readers who trusted the magazine website acted more loyally: the website-trust-behavioral-loyalty link was positive and significant. No such relationship was to be found in the case of Women's magazine, but the positive link between website trust and attitudinal loyalty was supported. All in all, there was partial support for H3 in our study.

The more or less exploratory hypothesis H4 was divided into three sub-hypotheses, which concerned the links between the online and offline brand world. H4a, which posited that there was a positive relationship between website satisfaction and brand loyalty in the magazine-brand context, was not supported, and hypothesis H4b suggesting that website trust would positively affect brand loyalty was only partially supported in one of the three sub-samples (Women's magazine). This type of link did not exist for the other sub-samples. All in all, the support for H4b found in the datasets was very marginal, and our conclusion is that it was weak and partial.

Table 3 Standardized path coefficients for the model in all three sub-samples

Dependent	Independent	Computer	Teen	Women's	Hypothesis
Website trust	Website satisfaction	.692***	.714***	.604***	H1 :supported
Website loyalty (att)	Website trust	.038 (n.s.)	.116 (n.s.)	.406***	H3: Partially supported
	Website satisfaction	.631***	.474***	.247**	H2: supported
	Website usage	.027 (n.s.)	.116* -.053	.061 (n.s.)	
	Internet usage	-.020 (n.s.)	(n.s.)	-.164*	
Website loyalty (beh)	Website loyalty (att)	.696***	.607***	.783***	H3: Partially supported
	Website trust	.362***	.316***	.099 (n.s.)	H2: Not supported
	Website satisfaction	-.037 (n.s.)	(n.s.)	.031 (n.s.)	
	Website usage	-.052 (n.s.)	-.154***	.107*	
	Internet usage	-.01 (n.s.)	-.103**	-.094*	
Brand loyalty (att)	Website loyalty (beh)	.387**	.586***	.475**	H4c: Supported.
	Website loyalty (att)	.434***	.055 (n.s.)	.397**	H4c: Partially supported
	Website trust	.136 (n.s.)	(n.s.)	-.033 (n.s.)	H4b: Not supported
	Website satisfaction	-.060 (n.s.)	(n.s.)	-.133 (n.s.)	H4a: Not supported
	History of reading	-.001 (n.s.)	.074 (n.s.)	-.077 (n.s.)	
Brand loyalty (beh)	Brand loyalty (att)	.232*	.376***	.641***	H4c: Partially supported
	Website loyalty (beh)	.675**	.809***	.093 (n.s.)	H4c: Not supported
	Website loyalty (att)	-.312*	-.482***	-.295 (n.s.)	H4b: Partially supported.
	Website trust	.112 (n.s.)	(n.s.)	.275**	H4a: Not supported
	Website satisfaction	.068 (n.s.)	(n.s.)	.137 (n.s.)	
	History of reading	.147**	.135***	.251***	

* p = 0.05
 ** p = 0.01
 *** p = 0.001

Hypothesis H4c tested the website-loyalty-brand-loyalty link. The results proved to be interesting as the link between attitudinal website loyalty and behavioral brand loyalty was significant and negative for the two sub-samples. Although behavioral website loyalty was positively linked with attitudinal brand loyalty in the whole sample and in two of the sub-samples, the link between behavioral website loyalty and behavioral brand loyalty was also significant and positive, and thus we conclude that H4c was only partially supported.

Even though the exploratory hypotheses (H4a-c) suggesting direct linkages between the online and offline variables were only partially supported, it should be noted that website satisfaction, trust and loyalty also had indirect effects on brand loyalty. The total effects, which accounted for both the direct and indirect effects of these variables, are presented in Table 4: website satisfaction, website trust, and website loyalty all turned out to be related to both dimensions of brand loyalty.

Some of the control variables also proved to be significant in the sub-samples. First, general Internet use history, i.e. ‘How long have you been using the Internet?’, was negatively linked with behavioral website loyalty in the case of the Teenage and Women’s magazines, and a negative effect on attitudinal website loyalty was found the Women’s magazine sample. These findings suggest that more experienced Internet users are less likely to become loyal to single websites, but may be active users of several.

Table 4. Standardized Total effects

Dependent	Independent	Computer	Teen	Women’s
Brand	Brand loyalty (att.)	.232	.376	.641
loyalty	Website loyalty (beh.)	.765	1.029	.398
(beh.)	Website loyalty (att)	.321	.163	.270
	Website trust	.433	.303	.403
	Website satisfaction	.528	.485	.374
Brand	Website loyalty (beh.)	.387	.586	.475
loyalty (att.)	Website loyalty (att)	.703	.410	.769
	Website trust	.303	.327	.326
	Website satisfaction	.578	.569	.268
Website	Website loyalty (att)	.696	.607	.783
loyalty	Website trust	.389	.387	.417
(beh.)	Website satisfaction	.671	.648	.476
Website	Website trust	.038	.116	.406
loyalty (att)	Website satisfaction	.657	.557	.492
Website	Website satisfaction	.692	.714	.604
trust				

In the case of Women's magazine the relationship between the user history of the focal website and behavioral website loyalty was positive, however: the more familiar users are with the website, the more loyal they are to it. Interestingly, the longer the Teenage magazine respondents had been using the website the lower their behavioral website loyalty was. We might assume that the negative effect of the history (years) of using the web could be linked to the fact that the magazine is targeted at a certain age segment, and long-term customers are actually those who are becoming too old for inclusion in the brand's target-customer segment. In this type of situation in particular, behavioral loyalty may diminish over time. It is nevertheless worth noting that in the case of Teenager magazine the attitudinal dimension of website loyalty was positively affected by user history. This suggests that even though behavioral loyalty may diminish over time, attitudinal loyalty does not diminish as quickly.

Readership history was significantly linked to the dimensions of behavioral brand loyalty in all of the sub-samples. However, there was no relationship between the history of reading the magazine and attitudinal brand loyalty. This raises the question of whether loyalty to magazine brands is actually a reflection of established routines that simplify decision-making when the magazine is purchased.

Discussion and Conclusions

This study explored the impact of consumers' experiences of online brand extensions on brand loyalty. The findings support the argument that online brand extensions may have a strengthening effect.

We found that website satisfaction, trust and loyalty were interrelated constructs, and that the consumers' perceptions of the website were related to overall brand loyalty. However, it seems that neither website satisfaction nor website trust have a direct impact. The attitudinal and behavioral dimensions of website loyalty had positive impacts on their brand-level equivalents. The results strongly suggest that website determinants have a positive impact on brand loyalty, although the paths between the key variables differed across the magazines studied.

There were some differences in results between the three case magazines. The first anomaly concerns the impact of website trust on website loyalty. While website trust had a positive impact on attitudinal website loyalty in the case of the more print-oriented Women's magazine (i.e. a companion site), it did not for the other two magazines. However, in the case of the other two, which are more interactive and web-oriented (destination sites), it did have a positive impact on behavioral website loyalty. These differences may be attributable to the magazine's online strategies, as the aim with a companion-site strategy is to promote the print magazine rather than to foster loyalty to the website. Consequently, consumers visit the website and may perceive it to be

valuable, but do not express behavioral loyalty because it just offers support for the print magazine.

While the online-strategy explanation seems feasible, there is also an alternative explanation. The findings may also be attributable to differences between the magazines' target groups. The readers of a general women's magazine are likely to be more heterogeneous in their online activity than readers of a teenage or computer magazine. The only notable difference, however, in the background variables (Table 1) was that the Women's magazine website sample generally had a shorter history of website use than the respondents in the other two sub-samples. Thus, it is suggested that the findings of the present study should be confirmed on other sample populations. However, we could speculate and wonder whether some Women's magazine readers are still more attached to the print media and would not consider the website as important as the print version in terms of communicating with the brand.

There were also differences in the impact of website trust on the brand-loyalty dimensions: in the case of Women's magazine it had a positive impact on behavioral brand loyalty, whereas with the Teenage and Computer magazines there was no impact on either dimension. This finding is somewhat surprising in that the most desired impact (behavioral brand loyalty) seems to be achieved by simply promoting the print-magazine content online, i.e. with a companion-site strategy. No effect of website trust was observed as far as the more interactive and destination type of website was concerned. Thus, according to the findings of our study, the use of destination-site strategies involves the risk of losing the link between the website and the print magazine. However, we acknowledge that this might be a feasible strategy for some magazines: according to recent studies on the industry, e.g., FIPP (2005), publishers are starting to realize the value of web-site audiences independently of the print audiences. Magazine websites are becoming the primary portals of the target groups in some markets, and publishers are thus expanding their print-oriented business models. In these cases, web-site loyalty might very well be the ultimate goal of the publishers.

This study has several implications for practicing media marketers and managers. Online brand extensions seem to be able to support brand loyalty. According to our findings, gaining customer satisfaction and trust online is the first step in this attempt. As consumer commitment to a brand increases from satisfaction to trust and finally to loyalty (see Aaker, 1991), media managers should focus their efforts on providing high-quality and trustworthy online offerings in order to gain loyal customers online and offline. However, achieving customer satisfaction and trust online does not guarantee favorable effects on brand loyalty. The findings we obtained indicate that, although customers' online satisfaction and trust have a crucial role, managers should be able to create online loyalty before they can expect increasing effects on overall brand loyalty. They should also consider their overall brand objectives when

choosing their online strategies, as the impact of web experiences on brand loyalty seems to differ depending on the strategy. Is the goal to support the print magazine, or to use the website to produce new business models that are totally different from the old printed products?

What remains unresolved is the role of website trust. It clearly is a focal variable as it is related to both website and brand-level loyalty. However, the hypotheses concerning the role of trust in predicting both types of loyalty received only partial support in the analyses. The results obtained here suggest that website trust mainly strengthens *website loyalty* when a destination-site strategy is being followed; while with a companion-site strategy it seems to promote *brand loyalty*. These issues should be studied in detail in future studies, however.

It would be fruitful to conduct a more detailed analysis of the links between the online and offline strategies of magazine publishers. What are the roles of the publishing strategy and the actual behavior of the firm in the development of brand loyalty online and offline? Our control variables showed mixed results on this issue, some of which could be explained on the basis of the readership/user segment (e.g., the fact that the length of user history for the Teenage website was negatively linked with brand loyalty may be related to the tight customer-age segmentation of the focal brand). Moreover, it would be interesting in future studies to assess whether the use of a destination-site strategy would lead to changes in behavior among the readers of the print magazine, and how the chosen strategies would correspond with magazine circulation and website-user development.

Finally, the limitations of the study should be noted. The data was collected from only three magazine websites, and in a single country, and generalization of the results is therefore open to discussion. In general, these results need to be tested on other products and markets. Furthermore, we did not use random sampling this time - for explicable reasons. The sample only included online customers who voluntarily responded to the online surveys. These respondents may be more active online or have stronger relationships with the websites and brands than website visitors in general, and this is something one should try to control in future research endeavors.

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Appendix 1. Scale Items for Construct Measurement

Construct Code		Item		Origin	CR	AVE
Background information	Gender					
Control variables	AGE	Age				
	READM	How long have you been reading the X magazine? (years)	new			
	USEIN	How long have you been using the Internet? (years)	adapted	Corbitt <i>et al.</i> 2003		
	USEWS	How many years have you used X website?	new			
website satisfaction (Likert 1-7)	WSAT1	I think that I made the correct decision to use X website	adopted	Flavian <i>et al.</i> 2006	0.87-0.91	0.63 - 0.71
	WSAT2	The experience that I have had with X website has been satisfactory	adopted			
	WSAT3	In general terms, I am satisfied with the way that X website functions	adopted			
	WSAT4	In general, I am satisfied with the service I received from X website	adopted			
website trust: intentions (Likert 1-7)	WTRU15	X's website would be honest and sincere in addressing my concerns	adapted	Delgado-Bastard Murua-Alamán 2005	0.82 - 0.87	0.53 - 0.63
	WTRU16	I could rely on X's website	adapted			
	WTRU17	X's website would make any effort to satisfy me	adapted			
	WTRU18	X brand would compensate me in some way for the problem with website	adapted			
attitudinal website loyalty (Likert 1-7)	WLOY5	To me this is the best X magazine website	adapted	Anderson and Srinivasan 2003	0.95 - 0.96	0.82 - 0.85
	WLOY6	I feel more attached to this particular website over other websites	adapted	Anderson and Lim 2003; Shang <i>et al.</i> 2006		
	WLOY7	I pay more attention to this particular website over other websites	adapted			
	WLOY8	I am more interested in this particular website over other websites	adapted			
behavioral website loyalty (Likert 1-7)	WLOY2	I have seldom considered using other websites focusing on this same subject	adapted	Anderson and Srinivasan 2003	0.81 - 0.85	0.52 - 0.59
	WLOY9	I will use X website in the future.	new			
	WLOY10	I always use the X website because I really like this brand	adapted	Anderson and Srinivasan 2003		
	WLOY11	It is important for me to use especially X website.	new	Anderson and Lim 2003; Shang <i>et al.</i> 2006		
attitudinal loyalty (Likert 1-7)	BLOY1	I feel more attached to this particular brand over other brands	adapted	Anderson and Lim 2003; Shang <i>et al.</i> 2006	0.95 - 0.97	0.86 - 0.92
	BLOY2	I pay more attention to this particular brand of magazine over other brands	adapted			
	BLOY3	I am more interested in this particular brand of magazine over other brands	adapted			
behavioral loyalty (Likert 1-7)	BLOY7	I am going to read the X magazine in the future	new	Anderson and Lim 2003; Shang <i>et al.</i> 2006	0.86 - 0.94	0.60 - 0.80
	BLOY11	It is very important for me to buy this particular brand of magazine over another brand	adapted	Anderson and Lim 2003; Shang <i>et al.</i> 2006		
	BLOY12	always buy the same brand of magazine because I really like this brand	adapted			
	BLOY14	If X were not available, I will go to another store	adapted			

Generating Audience Loyalty to Internet News Providers through Branding

Dan Shaver and Mary Alice Shaver

In the mid-1990s, U.S. media companies faced the need to develop a strategic response to the impact of digital technologies on the competitive structure of media industries that had historically been relatively protected by technological content silos, economic barriers to entry and, often, regulatory barriers. The introduction of broadly available digital content delivery options—and the availability of relatively inexpensive tools for digital content creation—represented a disruptive new technology because, rather than enhancing the performance of existing products, it brought “to the market a very different value proposition” (Christensen, 1997).

The impact of disruptive or discontinuous technologies on established industry competitive structures is most often an increased threat from alternative or substitute products (Porter, 1985). Some researchers predicted that new online products would lead to the collapse of traditional news media (Meyer, 2004). Others claimed the impact was substantially less dramatic. Ahlers (2006) found that only 12 percent of traditional media users use online alternatives as a direct substitute and that while another 22 percent of respondents substituted some online news for offline content, much of that usage was complementary rather than substitution. He characterized the impact of online competition a “pressure on the industry rather than a threat to its existence.” Chyi (2002) found evidence that the strong duplication in readership between online and print editions of local, regional and national newspapers suggested a complementary product relationship.

Although there was debate about competition for audience, there was little question about the potential for new firms such as *e-Bay* or *Monster.com*—completely lacking experience in traditional media industries—to compete for classified and other revenue sources historically controlled by traditional media firms.

Initial responses by media managers regarding technological strategies were relatively haphazard (Saksena & Hollifield, 2002), but the idea of centering competitive strategies against existing and new competitors by leveraging the reputation of the firms’ existing products with digital brand extensions was quickly and widely adopted (McDowell, 2006). Katherine Creech, general manager of Hearst HomeArts expressed the strategy when she said “The offline brands have provided us with the market clout that we couldn’t have created or bought on our own...We’re still at the stage of the web where people are

looking for familiarity” (Snyder, 1998). By 2001, newspaper groups that had previously launched online products without attention to the potential for leveraging their offline brand power were busily repositioning themselves and seeking ways to create value-added features without weakening their print product (New Media Age, 2001).

Branding theory holds that by positioning a product to an appropriate and specific audience, a loyalty to that brand can be built upon experience, knowledge of the brand and a belief in the brand quality and credibility as perceived by that audience. By branding a product or group of products, the manufacturer or owner of the product attempts to establish an identity for it that will be recognized and remembered by current and potential users or audiences. By extending a brand to other company products, it is hoped that the recognition and credibility of the initial product will carry over to additional products and that customers will act upon a preference for the brand group.

In any field or group of products, successful branding can create barriers to market entry, a stronger customer base and a greater market share. While branding is useful—even necessary—to most businesses’ success, it is particularly important when the products being branded are easily substitutable, have low cost and high competition (Backman, 1967). For these products, frequent reminders of the brands by means of logos, advertising and other methods are necessary to keep the brand and product as preferred by the target audiences.

The reputation of the company is carried over to the brand identification, simplifying selection and purchase and building consumer loyalty. Branding has been identified as a key source of competitive advantage in the digital/online environment. In a complex information-rich environment, the branding process provides information consumers with assurance that the functions of newsgathering and editing/packaging are providing expected quality levels. Strong brands simplify selection decisions by consumers by reducing decision time and stress in making consumer decisions (Hoeffler & Keller, 2003). Research indicates high levels of brand awareness among Internet users (Brand Strategy, 1999) and media firms have the extra advantage of being able to cross-promote products between platforms (Siegert, 2007).

Digital technologies, because of their ability to deliver previously incompatible content such as text, visuals and audio in a single platform, create the potential for extending the content creator’s brand across new kinds of content (Wolf, 2000).

Traditional media firms competing online face three levels of competition: 1) competition with other traditional media online (other newspapers, television and the like); 2) competition with information “aggregators” that collect information from many sources and offer a single point of access (Google, Yahoo and the like); and, 3) competition from non-traditional information sites (*The Onion*, Matt Drudge, bloggers, etc.).

Traditional U.S. media have a limited number of national brands (*The New York Times*, *The Wall Street Journal*, *USA Today*, established broadcast and cable networks) and a number of strong local and regional brands. The brand identity of local and regional print products tends to be stronger than broadcast brands because broadcast outlets tend to be substantially more numerous in most markets.

The branding of information aggregators tends to be based on factors other than content generation. Convenience, search capacity and broad or unusual content—often drawn from the products of a variety of traditional media news/content producers—distinguishes these portal sites from those produced by traditional media companies.

Non-traditional information sites vary widely, ranging from individual blogs to niche information focused sites to political or cause-focused sites. The primary characteristic distinguishing non-traditional sites from traditional or aggregator sites is that the content is usually produced without the kind of editorial controls imposed directly by traditional news media sites or indirectly by the reliance of aggregators on content drawn from traditional media.

If traditional media branding strategies are effective, they must lead consumers from the traditional product to the online product and back again, expanding the total content audience in ways that protect traditional revenue streams, allow for the creation of new revenue streams and protect traditional information franchises. At the same time, they must create a brand image in the minds of news consumers that provides a competitive advantage against non-traditional sites that offer news online by differentiating on the basis of quality or dependability. If traditional media branding efforts over recent years in the U.S. have been successful, we hypothesize the following effects:

H₁: Effective branding efforts by traditional media organizations will, over time, result in an increased correlation between the respondent's primary sources of political news from traditional media and use of online websites maintained by these traditional media.

H₂: Effective branding efforts will result in increased traffic to sites maintained by traditional news organizations.

H₃: Effective branding efforts by traditional media will increase both consumption of the traditional media product and consumption of the branded online product.

Method

Two probability samples regarding voter information gathering practices were used in this analysis. Both samples were gathered by Princeton Survey Research

Associates for the Pew Internet & American Life project. Both surveys were random national telephone surveys of individuals 18 years of age or older. Since political and public affairs information is a traditional staple of off-line news organizations, these studies were selected because they reflect information-seeking behavior rather than entertainment or other user gratifications.

The 2002 survey was conducted between October 30 and November 21. The sample contains 2,745 cases. The sample was 49.1% male and 50.9% female. Sixty-nine percent of respondents had less than a four-year college degree. By race, 82.8% of the respondents were white, 9.6% were Black or African-American, 2.1% were Asian or Pacific Islander, 1.2% described themselves as “mixed race”, 0.9% were Native Americans, and 1.3% described themselves as “other”. Fifty-one percent of respondents were employed full-time while 13.4% reported being employed part-time. Retired respondents constituted 20.8% of respondents while “not employed for pay” respondents constituted 12.0%. Average household income was \$65,500.

The 2006 survey was conducted between November 8 and November 30. The sample consisted of 2,562 individuals 18 years old or older. The sample was 47.7% male and 52.3% female. Sixty-five percent of respondents had less than a four-year college degree. By race, 82.4% were white, 10.2% were African-American, 1.6% were Asian/Pacific Islander, 1.2% were “mixed race”, and 1.1% were Native Americans. Among respondents, 47.7% were employed full-time, 11.0% were employed part-time, 25.3% were retired, and 11.4% were not employed for pay. Average household income was \$67,750.

Each sample represents a reasonable approximation of national census data for the period in which the survey was conducted and the two samples are similar enough demographically to be reasonably compared. Data were analyzed using SPSS crosstabs and correlation statistics.

Findings

H₁: Effective branding efforts by traditional media organizations will, over time, result in an increased correlation between the respondent's primary sources of political news from traditional media and use of online websites maintained by these traditional media.

Correlation analysis revealed no significant change in the relationship between respondents' reported primary information old media information sources and top sources of online information in either 2002 ($r = -.056$, $p = .144$, $n = 694$) or 2006 ($r = .026$, $p = .487$, $n = 734$). Hypothesis 1 is not supported.

H₂: Effective branding efforts will result in increased traffic to sites maintained by traditional news organizations.

Crosstab comparisons of the respondents' top online news sources identified several significant shifts during the four year period examined. While portal/online services such as AOL, Yahoo and Google remained relatively stable (13.1% in 2002 versus 13.6% in 2006), traffic to web sites of major news organizations such as CNN and the New York Times increased from 44.3% to 78.7%. Local news operations websites, however, declined from 13.1% to 3.7% as the primary choice for political information. Candidate web sites declined from 3.8% to 1.0%; issue oriented web sites declined from 3.0% to 1.4% and state or local government web sites declined from 5.3% to 1.0%. The differences were statistically significant (Chi-Square < .001, df = 8, n = 1,445). H₂ appears to be supported.

H₃: Effective branding efforts by traditional media will increase both consumption of the traditional media product and consumption of the branded online product.

Correlation analysis of the relationship between the top source of political information from traditional media (television, newspapers and radio) showed no significant relationship between traditional media consumption and online sites operated by traditional media firms in either 2002 (r = -.005, p = .911, n = 473) or 2006 (r = -.060, p = .117, n=681). H₃ was not supported.

There were no significant relationships between age, education, race, political ideology, income or community type (urban/suburban/rural) and reasons for reliance on online sources for political information.

Further analysis of the 2006 data does indicate some significant insights regarding the reasons that respondents who cited the websites of local news operations as their top source of online information visited these sites. Convenience and the ability to access information that is not available elsewhere (r = .294, p < .001, n = 173) and the failure of traditional news sources to provide all the desired information (r = .491, p < .001, n=169) were cited as major advantages of online news. The ability to obtain local perspectives (r = .457, p < .001, n=173) and outside perspectives on candidates conveniently (r = .214, p = .005, n = 173) were perceived as other benefits.

Among respondents who identified the websites of major news organizations as their main online news sources, the relationship between convenience and accessing information that is not available elsewhere was even stronger (r = .539, p = .004).

Discussion and Conclusions

Two of three hypotheses assuming on effective branding efforts by traditional U.S. media were not supported by this analysis. A significant increase in dependence on websites operated by major national news organizations did

occur between 2002 and 2004, but it was accompanied by a significant decrease in dependence on local media sites.

The convenience of online information retrieval and a perception that traditional media aren't providing all the information that consumers want appear to be most influential in decisions about online consumption. The following chart (based on the 2002 data) reflects the respondent's primary source of political information and their strongest reasons for using online sites.

Major Benefits of Online by Media Consumer Category:

Primary Medium	Convenience	Supplement information in traditional media
Television	44.6%	26.7%
Newspapers	48.9%	32.2%
Radio	43.4%	30.3%
Magazines	16.7%	66.7%
Internet	57.8%	22.9%
Other	40.0%	40.0%

The increased dependence of news consumers on major, national news organizations would appear to reflect some success in their branding efforts just as the decline in reliance on local news media sites could imply a lack of success. The reasons for accessing online news by respondents, however, suggest that the answer may be more complex than simply branding.

Nearly half of the respondents who identified television, newspapers or radio as their primary source of political news indicated that convenience was a major motive for supplementing their traditional media with online content. Nearly a third of the same respondents indicated that they went online to access information that wasn't supplied by their traditional media. Since accessing locally produced websites is, presumably, just as convenient as accessing the site of a national news organization, one might conclude that the greater newsgathering capabilities—and online content—may trump local news organizations' competitive advantage.

This is not to suggest that—even for local news organizations—branding their online product is a futile effort. Several factors must be considered. First, for much of the period considered, media firm specific branding campaigns were relatively unsophisticated. The focus was on transferring the “news” reputation of the traditional product to the online product. Only in the last couple of years have more sophisticated techniques—based on windowing and differentiating content—begun to effectively move consumers between the online and traditional product on a regular basis. In this context, it may be too soon to make firm predictions about the success or failure of branding for local media. Clearly, national branding must be considered a significant factor in the growth of consumer attention to sites managed by major firms. *New York Times*

publisher Arthur Sulzberger Jr. has described himself as “platform agnostic” and asserts that the future of his news organization rests on “its intangible brand reputation” rather than the delivery platform (Bianco, 2005).

A second factor that must be considered is that these data are from a national sample with no control data regarding the degree of sophistication of branding by local media in the markets where the respondents reside. Given the wide range of market size, firm resources and marketing sophistication, even major success stories could be masked. Findings by Pauwels and Dans (1991) in a study of 12 Spanish newspapers of a proportional relationship between online brand choice and brand equity transferred from the printed product suggests this is a possibility.

Overall, however, the data suggest that local newspapers and broadcast outlets must improve the quality of their branding efforts if they are to shift their existing consumers online. Consumer motives for online information seeking seem to be currently biased toward national brands because of their perceived ability to provide greater information benefits. Local media firms, focusing on marketing their brand based on their stronger franchise on news that directly affects their customers, should be able to make inroads with their local customers.

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Section 3

Dual Market Aspects of Branding

Media Brands and Consumer Experiences

Bobby J. Calder and Edward C. Malthouse

Media products have traditionally been thought of as vehicles in which advertisers insert messages in order to strengthen their brands. Apart from this advertising, media companies have thought of their products as providing journalistic or entertainment content that attracts an audience. Reaching this audience is what attracts advertisers to the vehicle. There is a growing realization, however, that media products are more than merely content vehicles for advertising. Media products themselves can be powerful brands in their own right.

The question is, how to think about media products as brands? There are many ways of course for conceptualizing what a brand is—a promise to the consumer, a value proposition, a positioning in the consumer's mind, a big idea. One way that has gained some currency is to think of a brand in terms of the *experience* consumers have with it. The most celebrated example of this is Starbucks. As a brand Starbucks is the experience of a third place outside home and work where a person can relax, feel comfortable, and be personally recognized.

We believe that the experience framework is the best approach to thinking about how to manage media products as brands. Moreover, the experience approach lends itself to thinking about media brands from a larger integrated marketing perspective. Thus we turn first to describing this perspective and how it applies to media products as brands.

Integrated Marketing and Experiences

The diagram in Figure 1 illustrates the process of integrated marketing. Marketing should always be predicated on some corporate strategy. It seeks both to drive, and be driven by, consumers. The critical step is to develop a brand that makes this strategy possible in the mind of the consumer. This brand is the concept that defines how the consumer will experience the product. It is developed out of an understanding of what the consumer's experience currently is and how the product could be more relevant to that or other experiences. The focus is on the experience of the consumer, on the product in the context of the consumer's life experiences, and not on the product per se. An example: The strategy is to reach people with continuous

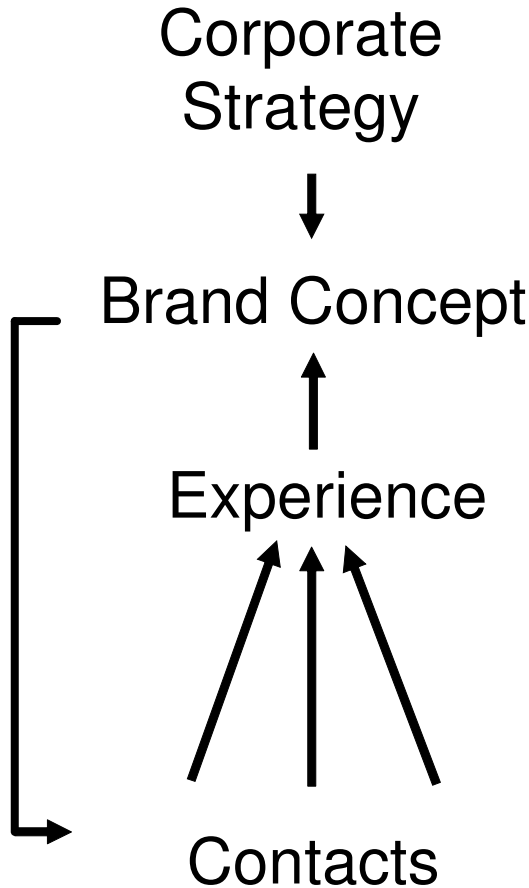


Figure 1. The Integrated Marketing Process

news about sports. Some people are first-tier sports fans who use sports in their lives as a way of finding common interest with and being able to talk to other people. The brand concept that emerges from this experience is the idea of covering sports as both information and social entertainment that engages and provokes the fan to make sports a part of their interaction with others.

Again, the brand is the concept that the marketer wants the consumer to have of the way the consumer should experience the product. As shown in Figure 1, the brand concept is derived from consumer experience. It is then used in an action-oriented way. The task of integrated marketing is to affect the consumer's experience in such a way that the consumer *understands the brand in terms of that desired experience*. Consumers must be contacted in ways that affect

their experience and lead them to develop an understanding of the brand in terms of this experience.

Contacts are anything that affects the consumer's experiences. An ad can be a contact (if it affects experience). But any other way of touching the consumer is equally a contact. A contact could be part of the product itself. Contacts can come before and after as well as during product usage. The key is to define a specific set of contacts that affect experience in the desired way. These contact points in essence become the marketing plan. Note that the contacts by definition are things that marketing can control and represent specific activities. If a contact cannot be controlled or executed, another contact is found that can be. The emphasis is on marketing opportunities. Integrated marketing might just as well lead to an event or to opening a showcase store as to running a set of ads.

Content, from a marketing point of view, can also be regarded as contacts. Any element of content can be viewed as a contact that could be designed to deliver the experience(s) called for by the brand. There can of course be other considerations in determining content, but from a marketing point of view at least some aspects of content should be identified and treated as contact points for delivering the experience called for by the brand.

All contacts need to be managed in an integrated way over time and other dimensions of consumer behavior in order to yield the consumer experience dictated by the brand concept. The process shown in Figure 1 can thus be seen as a continuous feedback loop. Marketing is a core business process rather than a staff function. Strategy is inherent in marketing action. The term integrated also describes these aspects of the marketing effort.

As indicated, the integrated marketing paradigm calls for managing advertising and media as one of many possible types of contact points with consumers. Beyond this it implies that advertising, as with any contact, should affect consumer experiences so that the desired brand concept emerges from them. This means that ideally an ad should not merely tell consumers about the brand. It should, at least vicariously, let consumers experience the brand. This calls for ads that are more stories and less persuasive arguments. We will focus here, however, not on the implications of integrated marketing for creating ads but on what integrated marketing says about the relationship of media brands and the advertising that appears in them.

Media and Advertising

From an integrated marketing perspective media should not be viewed as merely the passive vehicle through which consumers are exposed to ads. Ads are primarily encountered in the course of viewing or reading media content. The actual contact with the consumer is thus formed by the ad and the surrounding media content, the media context.

The content of the media should itself be thought of as providing experiences for the viewer or reader. These experiences must be considered in evaluating an ad as a contact. Two issues arise. One is the strength of the experiences, the level of engagement. The second is how well the experiences fit the objectives of the brand concept. A media context that is both strong and capable of transferring relevant experiences as part of the advertising contact should be more effective.

In our own research we have attempted to systematically describe the experience potential of a range of media. We have found many experiences of different kinds across newspapers, magazines, and on-line media. We give here several example experiences and discuss their implications for media brands and advertising. Some magazines and newspapers, but not all, are particularly good at providing their readers with the “Personal Timeout” experience. Consumers who have this experience agree with statements such as “I like to kick back and wind down with it,” “It’s an escape,” “It’s a treat for me,” and “It takes my mind off other things that are going on”. (These statements are derived from extensive qualitative research with consumers.) Magazines and newspapers that provide this experience give their readers a peaceful, quiet escape from their otherwise hectic lives. It is important for an advertiser to understand the extent to which a particular publication delivers this experience. Integrated marketing would lead to placing an advertisement for a product or service that is relevant to the Timeout experience in such a publication. Two publications that have comparable audiences but deliver different degrees of the Timeout experience should be valued differently.

A second experience that some newspapers, magazines, web sites and television programs are particularly good at giving consumers is providing them with “Something to Talk About.” After reading or watching, consumers bring things up in conversations and give advice or tips to their family and friends. They feel that they become a more interesting person because of what they have read or watched. Again, advertisements for some products or services could benefit from placement in such a medium. Note too that the creative content of the ad itself could also be altered to connect more with the media experience. This implies that the execution of an ad that appears in a “Talk-About-It” publication would be different than those in a “Timeout” publication. The ad for the former might be designed to stimulate conversation while the ad for the latter might focus more on relaxation and escape.

Would such an approach work? There is a need for more research on the impact of media context on advertising effectiveness, especially in terms of the impact of media experiences. But available research does suggest that such affects are possible (see Malthouse, Calder, & Tamhane, 2007). More research is needed, but there is certainly support for the contention that media experiences affect advertising. From an integrated marketing standpoint, the idea of ads as *mediated contact points* is worth attention.

Conclusion

If the marketing goal is to affect consumer experiences, media carry powerful experiences that can be used to inject greater experiential quality into advertising. The media brand provides a context for an ad that can make it more of an experience contact that engages the consumer in a desired way. This is not just better media scheduling—it is better marketing.

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Media Consumer Brand Equity: Implications for Advertising Media Planning

Mart Ots and Per-Erik Wolff

Brand management has become a key issue for the marketing of media companies. Today, many media firms seek to build up and exploit strong brands, usually conceived as brand equity or value. The importance of brand equity in the relationship between media companies and their audiences has become recognized by both practitioners and researchers. So far, however, little is known about the effects of this development on media's other outlets for offerings—the advertising markets. Taking the perspective of professional media buyers, this study explores the specific role of media's consumer brand equity and how it translates into value for advertisers. Four categories of benefits realized in the use of strong media brands are presented.

In today's highly competitive and fragmented media markets, attracting media buyers' resources has become more important for most media companies than ever. Buyers of media try to allocate their budget in ways that will make them reach their respective campaign objective. Their media plans specify which media are to be used when, why and at what price. When making choices, media buyers have a range of selection criteria at their disposal (De Pelsmacker, 2007). Due to the complexity of picking and administrating the optimal mix of media channels (TV, print, radio, and/or online media etc.) as well as the optimal mix of media vehicles (brand A, B, and/or C etc. within a media channel), advertisers may choose not to perform these tasks themselves. Instead, they hire media agencies or media buying services that act as intermediary buyers of advertising space.

Irrespective of the specific campaign objective, media buyers' principal goal is to reach the targeted audience optimally, meaning in the most efficient (least waste possible), economic (least cost possible), and effective (most impact) manner (Pickton & Broderick, 2005). In order to assess how efficient, economic, and effective a campaign is, quantitative and qualitative criteria can be used. However, while reach and frequency are treated as the basic currencies of media selection in many textbooks, other softer criteria, such as a medium's brand image, are often treated in vague or sweeping terms (see for instance Fill, 2006; Katz, 2005). Academic research on planning has also been criticized for not paying sufficient attention to qualitative criteria (eg. Ha, 1995). Therefore, when and how these factors are processed by media buyers still remains largely unknown.

In the current research project, we address the gap that exists in linking research on media buyers' selection criteria and behavior with research on media brand management. The premise of the project is that strong media brands not only help media consumers in differentiating and choosing media offerings, but that high consumer brand equity also creates more value for media companies' business-to-business customers—the media buyers. This chapter aims at a better understanding of how professional media buyers assess the consumer brand equity of media, and specifically how notions of media brand equity are represented and diffused in their selection procedures, processes and criteria.

In the following sections, we will discuss media selection criteria and customer brand equity, make suggestions that conceptualize the link between the two, and last provide interview data from which a preliminary model of media brand equity is derived.

Media Selection Criteria

Media buyers' *quantitative selection criteria* focus on maximizing efficiency while minimizing costs. They have been examined extensively in the existing literature and will therefore be only briefly introduced. *Reach*, also referred to as 'coverage' or 'penetration', is a measure of how many members of the target audience are reached by one media vehicle or a collected mix of vehicles during a specified (campaign) period (Pickton & Broderick 2005, p. 464). *Selectivity* measures the extent to which a medium reaches the members of an advertiser's desired target group commonly defined by demographic characteristics (De Pelsmacker et al., 2004).

Frequency is a measure of how often a member of the target group is, on average, expected to be exposed to the promotional message during a specified period (De Pelsmacker et al., 2004). It has been claimed that a message may need to be repeated several times to the same audience in order to gain effect (eg. Zielske, 1958). If all members of the target group are reached with a frequency sufficient to create attention among target audiences, we can say that *effective reach* is obtained (De Pelsmacker, 2007). Concepts of frequency and effective reach have gained broad acceptance among practitioners (Leckenby and Kishi, 1982; Leckenby & Boyd, 1984; Leckenby & Kim, 1994; Kreshel, 1985), even though competing theories suggest that optimal frequency often is more dependent on the right timing of delivery of the message than on message repetition (Jones, 1996; Ephron, 1997).

Optimizing media selection (somewhat simplified) involves finding media that promise the best reach and frequency in the desired target group for the lowest cost. This means minimizing message over- and underexposure in terms of frequency, and minimizing waste in terms of reach outside the primary target group. However, when it comes to buying media, there have been difficulties in operationalizing these concepts into reliable measures. Since most media cannot

identify individual audience members, effective reach is reduced to concepts such as Gross Ratings Points, and sold as Opportunities-To-See, Cost-Per-Thousand or similar currencies of transaction. A shared feature of these measurements is that they cannot guarantee the effective reach.

Qualitative criteria are the softer values that a certain medium generates for its buyers of advertising. In contrast to quantitative criteria they appear less tangible both in what they are and in how they can be measured. They are generally referred to as “image-building capability”, “medium involvement”, “attention devoted” (see Table 1) or “prestige, authority, impact, mood, believability, atmosphere, excitement and leadership” (Sissors & Baron 2002, p. 304).

Qualitative criteria	Image-building capacity Emotional impact Medium involvement Active or passive medium Attention devoted to the medium Quality of reproduction Adding value to the message (by means of the context) Amount of information that can be conveyed Demonstration capability Extent of memorization of the message Clutter
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Table 1: Qualitative media mix criteria (De Pelsmacker et al., 2002, p. 223).

A shared notion underlying qualitative selection criteria is that the medium is not passive in delivering promotional messages. In other words, the value of a certain audience is influenced by the context in which it is reached. There is something unique in the audience’s relationship to the personality of the medium which can rub off on commercial messages and make the communication more effective. However, Sissors and Baron (2002, p. 304) point out that the problem with studies of media environments, such as magazines, is deciding what to do with the results: “Knowing that one magazine has a different and presumably better image than another does not tell the planner anything about the magazine’s advertising effectiveness—if its image is even related to effectiveness.” Sissors and Baron conclude that it is the “esoteric” nature of qualitative criteria which make media selection an arbitrary matter of gut-feeling rather than science.

Attempts to capture effects of media vehicles on the messages transmitted have been pursued both by media scholars and advertising researchers. It was early acknowledged that a transfer effect exists between the media vehicle image and the advertised brand (Winick, 1962), that this was known among media buyers (Blair, 1966), and that it would have implications for the execution of

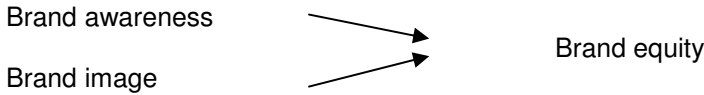
advertising campaigns depending on communication goals (Aaker & Brown, 1972). Just like sponsoring an artist because of his or her credibility, the image of a program or magazine may evoke feelings and associations that the media buyer wants to transfer to the advertised product. We could picture this as a halo effect emanating from the media brand. For instance, a media buyer may want to transfer the glamorous New York lifestyle as portrayed in the popular TV series *Sex and the City* or in a magazine like *Cosmopolitan* to products advertised in these contexts. Lately, the Advertising Research Foundation (www.thearf.org), has launched an initiative trying to define and quantify what they label “engagement”. Mast and Zaltman (2006) specify that engagement “is what occurs when a prospective consumer’s mind is turned on to a brand idea enhanced by the surrounding context”. This is still a very wide concept which covers a variety of ways in which the audience interacts with the medium. In academic research this can take several forms. Notably, studies on ad/context congruity try to understand how content environment influences ad perceptions (De Pelsmacker et al., 2002; Dahlén, 2005), while studies of user experiences have investigated the impact from the place, purpose and meaning of media consumption (Calder & Malthouse 2004; Bronner & Neijens, 2006).

Many of these emotional and behavioral consumer responses to media can be traced to brand management practices aiming to build image and loyalty. Surprisingly, however, research on the effects or impact of media vehicles on promotional messages remains to be linked to that on brand equity.

Media Brand Equity

Marketing researchers have repeatedly confirmed that when facing a competitive market situation, brand equity increases the effectiveness and efficiency of marketing activities (Hoeffler & Keller, 2003). As brand management concepts are applicable to media (McDowell, 2006b; Wolff, 2006) and increased competition since the 1990s has driven media businesses to look beyond short term sales, more and more media companies consider building lasting competitive advantages based on brand equity (McDowell, 2006a). In media as in other industries, clear and memorable brand images assist media consumers in identifying those brands that are most in line with their needs and expectations (Chan-Olmsted & Kim, 2001).

However, although brand equity can be called the “holy grail of brand management” (McDowell 2006a, p. 10), there is no common agreement on its dimensions in general marketing literature as of yet. When exploring media brand equity, media scholars frequently refer to the framework of Kevin L. Keller who conceptualizes brand equity from the *customer* perspective (Chan-Olmsted & Kim, 2001; Chan-Olmsted, 2006; McDowell & Sutherland, 2000; McDowell, 2006a). Customer-based brand equity according to this framework is the combination of *brand awareness* and *brand image* (Keller, 2003).



All things being equal, customers respond differently to companies' marketing activities (i.e. price, promotion, price, and place) because of their combined awareness and image associations (McDowell, 2006b). High brand equity occurs when a brand's customers hold strong, favorably evaluated associations towards a brand which are unique and imply superiority (Keller, 2003). Therefore, brand equity manifests itself not only *indirectly* (measured as brand awareness and brand image), but also *directly* as market behavior (McDowell, 2006b). The latter can be specified as behavioral loyalty, as manifested in repeat consumption behavior on the market place. High brand equity influences customer loyalty in that it makes brand choice more probable (McDowell & Sutherland, 2000), because brand equity leads to greater customer attitudinal loyalty while decreasing customers' openness to marketing activities of competitors (Keller, 1993). Behavioral loyalty is the obvious outcome of brand equity (McDowell & Sutherland, 2000).

Using strong media brands means using brands that have a high equity. Media vehicles with high brand equity offer potential benefits to advertisers, which may lead to a competitive advantage for the media firm offering the media vehicle. Brand equity building is frequently promoted and discussed on business-to-consumer (B2C) markets. However, media companies operating on dual markets—consumer markets (audiences/readers/users) and B2B markets (i.e. media buyers)—need brand strategies for both markets. So far very few studies address how brand equity is built in a business-to-business (B2B) setting (two exceptions being Adams, 2002 and McDowell, 2004). As McDowell points out (2006b), marketing activities such as pricing can be much more important when building up brand equity on business-to-business markets than it is on consumer markets. As of yet, no study has conceptualized the specific link between media buyers' selection criteria on the advertising market and media brand equity.

Linking Media Brand Equity with Media Selection Criteria

Consumer brand equity directly affects market behavior of media consumers as high brand loyalty means that the same viewers or readers stay loyal and return to the same TV show or purchase the same magazine week after week. Coming back to the media selection criteria *reach* we suggest that

- (1) High brand equity of a media vehicle is connected to repeated media consumption behaviour (behavioral loyalty) of its audience, thereby increasing the stability and predictability of the vehicle's reach.

For media buyers this should have the important perceived advantage of reducing the risk of not getting the exposure they paid for: Titles with high brand equity are less likely to fluctuate in sales. Therefore the risk of an advertisement being placed in a badly performing single issue is significantly lower than in a title with low brand equity.

Over the last years audience segmentation has become more and more important to both media sellers and buyers. So instead of offering mass audiences to advertisers, media sellers have moved to providing narrower defined demographic, geographic or other types of segments (Koschat & Putsis, 2002). This behaviour may provide ways to avoid competition and/or to enter more specific and attractive audience segments generating higher revenues and margins (eg. Turow, 1997). Media planning jargon would speak of *selectivity* which advertisers are willing to pay for (eg. De Pelsmacker, 2007; Sissors & Baron, 2002). Therefore, another issue for media planners is the considerable time spent on optimizing advertising budget allocation between media to reach the desired target group in the best manner. However to date, there are few ways for media companies to demonstrate that the demo- or psychographic composition will remain stable. Therefore, we suggest that

- (2) Media vehicles with high brand equity result in a higher coherence of audience characteristics.

If a media vehicle serves a certain need or expectation consistently better than its competitors and therefore produces strong, favorable and unique brand associations, the more loyal the targeted audience brand communities will behave (repeat consumption), and the clearer the profile of the delivered audience. The benefit for the advertiser is a perceived risk reduction in terms of the demographical, behavioural and/or psychographical features of the media audience, resulting in an easier matching with the actual target group as defined by the advertising firm. Introducing the longitudinal perspective on audience stability is also of importance for media buyers' *frequency* planning. Due to high levels of audience instability, media buyers may not know if the audience exposures that they bought represent one person who has been reached one hundred times, one hundred people reached once, or any combination in between these two extremes. Knowing that a show or title will have close to exactly the same kind of audience week after week should make frequency planning a much easier task for media buyers who want to optimize effective reach,

Furthermore, there is a specific value of advertising within the socio-psychological contexts of strong brands that lies beyond the benefits of a stable and effective reach of targeted audience segments. When a certain socio-psychological meaning such as social status or lifestyle is part of a media vehicle's image, this image can be transferred by the audiences to the products advertised in this context, if the audience perceives they are congruent. We therefore suggest that

- (3) If the indirect measurement of the brand equity reveals strong, favourable, and unique associations with regard to a socio-psychological appeal such as a certain social status, this brand image can be used to transfer brand associations to advertised products with a similar claim.

To media buyers, the effective transfer of a congruent image provides the benefit of increasing the "impact" of their promotional message within the chosen target group.

Research Method

As the relationship between media buyers' selection criteria and media brand equity has not been investigated, the underpinnings of this study are of exploratory nature. In accordance with this, the empirical foundation is based on interviews with experts in the field (Robson, 2002).

With the assistance of the Swedish Industry Organization for Media Agencies (Sveriges Mediabyråer), six senior experts (print media directors, TV directors, CEOs) representing four major agencies were selected as panel members in this study. These agencies are OMD, Starcom, MediaCom and MediaEdge:CIA. Semi-structured interviews were then conducted at their offices in Stockholm during March 2007. MediaEdge:CIA's representative was interviewed via telephone. The sessions lasted about 90 minutes each, without major disruptions or time pressure.

A questionnaire was used to guide the interviews containing three sets of questions: (1) Questions on the experts' perception and use of media selection criteria, (2) questions on the experts' assessment of media brand equity on advertising markets, (3) questions on the experts' perception of the role of media brand equity within media selection. Based on the purchasing orientation of the media agencies and our interest to use concrete examples, the discussion guide was designed to centre around two media—lifestyle magazines and national TV.

Findings

An analysis of the interviews has helped us identify a set of factors describing what media advertising buyers perceive as being the benefits of strong media brands. Generally, media brands are deemed strong if they have strong and unique brand image associations within the target audience. The interviews indicate that the most important contribution to the perceived value of media brand is based on (1) the strength of the loyalty the target audience displays towards the brand and (2) the clarity of what the media brand represents to media buyers in terms of the target audience profile attracted by the brand. Different opinions among media buyers exist as to the importance of (3) the transfer of image from the media brand to the advertised product brand which might vary according to editorial and consumption context.

Strength of Audience Loyalty in Terms of Quantity and Behavior

The strength of a media brand on the advertising market is based partly on the degree of behavioral loyalty of the audience to the media brand. Behavioral loyalty is relatively easy to monitor for a media buyer since it can be measured by most standardized audience measurements as the frequency by which a member of the audience / target group consumes the media product. The fact that a TV show or a magazine shows stability in reach figures is a factor which makes advertising placement less risky in the perception of media buyers. Being used to have to speculate on future program rating figures, audience stability is perceived by media buyers as a clear sign of high media brand equity:

“If you have stability of reach, then you also have a more trustworthy medium. That will show in every aspect. If you don’t know what the reach will be in six months, then it is hard to have a yearly discussion.” (C. Wåreus, OMD)

The good thing about stability of reach as a surrogate measure for behavioral loyalty is that it can be readily accessed through traditional quantitative audience data. While one media buyer sees behavioral loyalty as a good enough representation of the consumer’s brand perception, others find the consumers’ positive attitude towards a media brand as an important factor in media selection. In other words, behavioral loyalty is often, but not always, parallel to attitudinal loyalty. From this perspective, a media brand can mean a lot to a person even though he or she is not a frequent user and vice versa:

“You can look at this from two angles: On the one hand you have for instance *Hemmets Veckotidning*. There are readers who have been reading it every week since the 1930’s. Of course then you also build a strong attachment to the magazine and it shows an incredible loyalty which of course is interesting for us as media buyers. But then you also have titles

where the audience feel more emotionally attached to the content environment, for instance biking magazines where the lifestyle and the medium blends. (H. Gustafsson, Mediaedge:CIA)

One question that occurs is then whether the attitudinal loyalty is evoked by the media brand, or the content environment that it represents. Attitudinal components of media brand equity will be discussed further in a separate section below.

Clarity of the Target Audience Profile in Terms of Audience Characteristics

The profile of the audience showing the loyalty is as important as the audience loyalty itself. Media with high brand equity have better opportunities to demonstrate audiences with clear segmentation profiles. The stronger the profile of the media brand and the more distinct it is in terms of content, usage areas or image associations, the more possibilities there will be to find shared features of its audience. These features are what make a particular audience react to and be appealed by certain types of content or imagery in similar ways. The challenge for media firms is to understand and demonstrate how these characteristics comply with the target group profiles of advertisers wanting to place their promotional messages. While traditional audience measurements are based primarily on demographics, requests for media being able to demonstrate psychographic composition or consumption behavior of their audiences are likely to grow in the future. From this perspective, high consumer brand equity results in a clearer positioning of the advertising offering, demonstrating the uniqueness of brand associations and characteristics shared among its audience members:

“For us, strong brands give the ability to see that they (the audiences) are somewhat different from others, or if it is an extremely broad media that there is just very many of them.” (C. Wåreus, OMD)

Attitudinal Loyalty and Favorability of Media Brand Image

In their descriptions, media buyers refer to the attitudinal loyalty of the consumers to the brand as a “connection to the medium” or “emotional attachment”. Especially when using the advertorial tools product placement and sponsoring, media buyers consider the matching of product and media brand images very important to enable image transfers. This is often the reason for selecting lifestyle magazines. In contrast, broad mass media like TV and daily press, where advertising campaign goals tend to slant towards creating awareness rather than building brand image, aspects of brand transfer matter less:

“I would say that the brand is really important when it comes to magazines, less important when it comes to dailies and so on... It is important for the consumers when they pick a magazine off the shelf, when they choose to subscribe to it, or if it is ok to read it on the bus. For magazines the brand is really, really important.” (L. Sjödin, Starcom)

The emotional dimension is manifested as an attachment to the medium and the consumption experience, which may put the consumer in a mood more receptive to advertising. This receptiveness may also transfer into actual behavior. It may show in the way that consumers are proud to let other people know that they are watching a certain program, or in the way they carry a particular magazine. However, as all interviewed media buyers maintain, there is no established currency in the industry for comparisons of brand images between different media vehicles as well as between media vehicles and the advertised product brands. In practice, the audiences' emotional attachment to the media brand remains considerably trickier to monitor and often relies mostly on convincing arguments provided by the media seller. Due to the lack of a currency, media buyers' judgments are often based, not on representative consumer brand media perception studies, but rather on subjective affinities of the media buyer (as an individual consumer). Hence, the absence of a tool for measuring and comparing consumers' media brand preferences reduces this aspect selection process to a somewhat arbitrary gut-feeling:

“I think (media brand image) really matters, but sometimes I think it matters too much, because I think that all the individuals working with and making these choices have a personal view. To a larger extent than they should. I mean, sometimes we need to look beyond the brands and look at the figures and trust them.” (L. Sjödin, Starcom)

Not all respondents concur with the issue whether this emotional attachment to the media brand transfers over to the advertised brand:

“Media sometimes use this as an argument for buying them, but I haven't seen any convincing proof yet, so I don't know. So I think that's for them to make sure that they have a loyal audience...” (C. Wåreus, OMD)

While the question of brand image transfer produces contradictory answers there is more agreement on the brand as a label for a certain context, resulting in specific type of audience mood or receptivity for advertising. Context is both a physical one where the consumer is located while consuming the medium and its advertising; on the subway, in an airport, or on their TV couch, and an editorial media environment in which the advertisement is embedded; a news program, or a comedy show. Depending on the time of day and place of consumption, magazine readers or TV audiences are sometimes more receptive

to content offered by the media brand's content along with its carried advertising than at other times. The clearer the media responds to a certain defined need of the consumers of the media brand, the better. For example, luxury / lifestyle magazine brands or certain TV shows respond to a state of relaxation where consumers seek "luxury moments":

"Take for instance lifestyle magazines. You have worked hard all day, have put the kids to bed and sit down and reward yourself at the end of the day by reading your favorite magazine. This may be the moment when you are the most receptive to take in and listen to messages." (H. Gustafsson, MediaEdge)

"A business man can be approached in a work-context, but another strategy would be to reach them in the media which they consume in peace and quiet on Sunday nights. This way you can approach them when their guard is down." (H. Gustafsson, MediaEdge)

"I had a client with a target audience of women 30 to 54.... When we looked at the target audience closer, we saw that 30-34 year olds didn't watch the shows we picked in TV 4 and as we then looked at what shows they *did* watch, then it was shows like Grey's Anatomy, E.R, etc., so they had children and they watched shows every week, that they pick, that is their luxury moment... They are loyal and they watch three shows a week for one hour each while sitting on the sofa with a cup of coffee or whatever, watching their show and also watching the commercials around the show. Cause they hardly zap around." (K. Törnkvist, Starcom)

Discussion

This study explores the relationship between media selection and media consumer brand equity. Specifically, it attempts to link the sources of media brand equity—strong, favorable, and unique brand associations—as well as its effects on consumer behavior—consumer loyalty leading to repeat media vehicle choice—with selection criteria commonly used by media buyers. Three indicators are identified for the transfer of consumer market brand equity into advertising market effects. The value of these three effects in media selection and planning can be summarized in three categories of benefits:

Indicator 1: The findings support the importance of stabilized audience behavior to media buyers. As high media brand equity stabilizes reach through *behavioral loyalty* of media consumers, its role is acknowledged in the selection of media vehicles.

- *Benefit: Behavioral loyalty means predictability and stability of media selection criteria. This appears as quantity and stability in the reach of a medium, stability in the characteristics of its audience, and/or stability in audience's media consumption routines, generating predictable physical consumption contexts in both time and space. This decreases purchasing risk and increases planning options, reach and potential impact.*

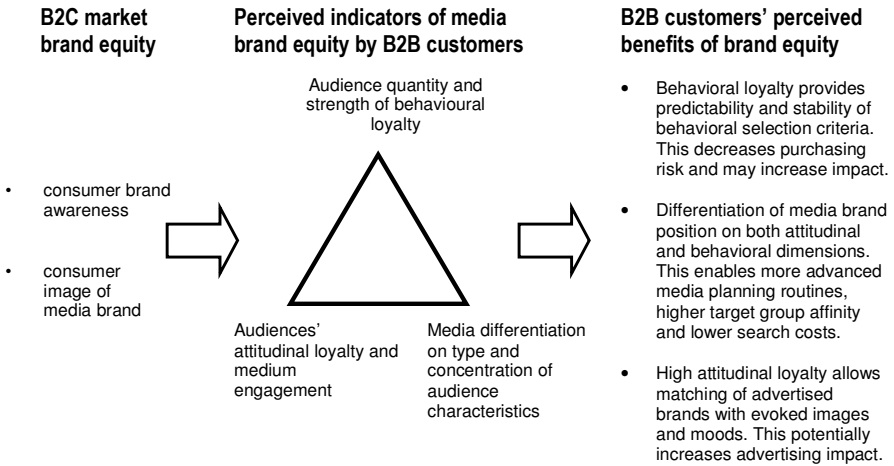
Indicator 2: The findings support the importance of a *differentiation of audience features*. By stabilizing the audience reach within certain audience profiles, strong brands are able to deliver a unique and attractive audience bundle to media buyers. This way media brand equity helps media buyers to audience profiles that match sought target profiles.

- *Benefit: Differentiation of brand position on both attitudinal and behavioral dimensions. This enables more advanced media planning routines, higher target group affinity and lower search costs.*

Indicator 3: We have suggested that brands with a certain socio-psychological meaning increase the impact of the promotional message through image transfer. Here our interviews reveal differences in media buyers' views. Some support the use of brand image transfer in media planning, but not in all media channels (eg. high importance for the selection of lifestyle magazines, but low importance for the selection of a daily newspaper). Others prefer to stress the moderating influence of the distribution context for the impact of a promotional message (responsiveness of the editorial content to the mood-related consumer needs).

- *Benefit: High attitudinal loyalty allows matching of advertised brands with evoked images and moods. This potentially increases advertising impact.*

The following model summarizes the three bases for brand equity this study explores, linking to the perceived benefits of using strong media brands as indicated by the respondents. It is confirmed that even though reach and price remain the fundamental selection criteria for buyers of media, the exchanged value related to media brand equity encompasses several additional components.



Conclusion

It is our belief that careful management of media brands also on B2B markets is a road to competitive advantage for media firms. A prerequisite for this would be a better understanding and measurement of brand equity. So far, we can conclude that brand equity can be linked to media selection criteria and that brand equity influences Swedish media buyers' selection process. This is explicitly stated by media buyers in some cases and the underlying rationale in other ones when the respondents use other terms (eg. "emotional attachment" instead of "attitudinal loyalty"). We have summarized these brand effects in three categories—*behavioral loyalty*, *attitudinal loyalty* and *differentiation of audience composition*—each leading to potential benefits for advertisers.

Going back to our research questions, we have found that branding theory seems likely to be a useful tool in the marketing of media to the advertising market. To this point, however, media buyers do not appear to have an established branding terminology to deal with these aspects of media products, though they clearly acknowledge the values these potential brand attributes represent. This is at least partly due to the lack of established and comparable measurements dealing with these dimensions. While reach and basic segmentation data of audience consistency are subject to standardized measurements and are easily incorporated into buying procedures, aspects dealing with the emotional impact of a media vehicle and its interaction with the carried promotional message are not. It should however not be over-looked that the applicability of these ideas does not concern all advertisers and brands.

For marketing managers of media companies, brand management can be a tool to differentiate the offering from competition, while clarifying the benefits to targeted buyers. Media firms wanting to adopt a brand management

approach on their B2B markets would need to support their case with more convincing evidence in order to take full advantage of these largely unexplored resources.

Our findings indicate that media companies can position their brands on the advertising market by influencing the perception that the media buyers have of them in terms of:

- (1) Focusing on the superiority of the audience profile, which could be based either on the quantity of the generated audience or difference of segmentation.
- (2) Focusing on the brand loyalty of the consumers, meaning how committed these audiences are towards the media brand.
- (3) Focusing on the match between the media brand image and the advertised product brand imaged
- (4) Focusing on the responsiveness of the branded editorial content to certain consumption needs and patterns.

According to our findings, a media brand with a clear audience segmentation profile, the ability to show strong emotional and behavioral attachment of the consumers to the consumer brand, and a clear response to consumption patterns and needs are perceived to have high brand equity according to our respondents. If these brand positions are communicated consistently to the advertising market, they seem to have good opportunities to build brand equity on the B2B markets.

Limitations and Recommendations for Future Research

By design, this study is exploratory in nature. The aim is to find support for the practical *relevance* of theoretical assumptions derived from the existing literature on media brand equity and media selection criteria. However, the findings summarized in the proposed model cannot be generalized to industry level based on this data. As one respondent estimates, approximately 20% of TV advertising airspace is bought around specific shows, allowing matches between media context and advertised brands, while the remaining 80% of airspace is purchased based on general channel demographics without pre-defined scheduling (also known as *run-by-station*). The latter is normally sold at a lower price per contact. This indicates that even though the importance of media brand equity is growing, a considerable number of advertisers remain focused on primarily building broad reach. If awareness is the only goal, media brand aspects are not considered of primary concern. One important question is therefore; for which categories of advertisers, and under which circumstances, would media buyers be willing to pay extra for the additional benefits delivered through offerings with high media consumer brand equity.

Future studies may wish to test brand equity's role within media selection by using a large sample of media buyers (media agencies and advertisers), or to explore advertising market brand equity on different levels in the brand hierarchy (eg. TV channel level versus TV show level).

Furthermore, this study focuses only on the effects of media's consumer brands on advertising markets. A complete analysis of media brand equity on advertising markets must take into account not only benefits brought via the audiences but also direct branding efforts targeting media buyers. Trust and relationship history between the media and media buyers might for instance contribute to building B2B brand equity as the following quote indicates:

“Often we have a problem letting good, new, media into the market, because we have a history with their old, tired friend whom they try to challenge. Trust can be a positive thing but it can also be a negative thing. So maybe it has been a little bit too important.” (C. Wåreus, OMD)

While old corporate media brands have the advantage on the advertising market of sharing a history with their media buyers, new media should be even more interested in establishing customer loyalty. Future studies could explore other contributors to brand equity on advertising markets, derived from the literature on B2B corporate brand management (see eg. Kotler & Pförsch, 2006).

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